

# CIMC



১৩. বাংলাদেশ সরকারের পরিচালিত একটি গবেষণা প্রতিবেদন (২০১৭) অনুযায়ী, বাংলাদেশের মোট জনসংখ্যার ১০.৫ শতাংশই সার্বজনীন মৌলিক শিক্ষার অধীনে অংশগ্রহণ করেছেন।

The R h h n n h 11 h ng gh h n B n 2017 (Meeting ). M . W ng Y h ng, Ch n n, n h n ng n h M . L Ch ng, n D n h h l. All D n ng.

本公司已按照中国注册会计师协会（CASBE）发布的《2017 年中期财务报告编制指引》的要求，编制了本中期财务报告。

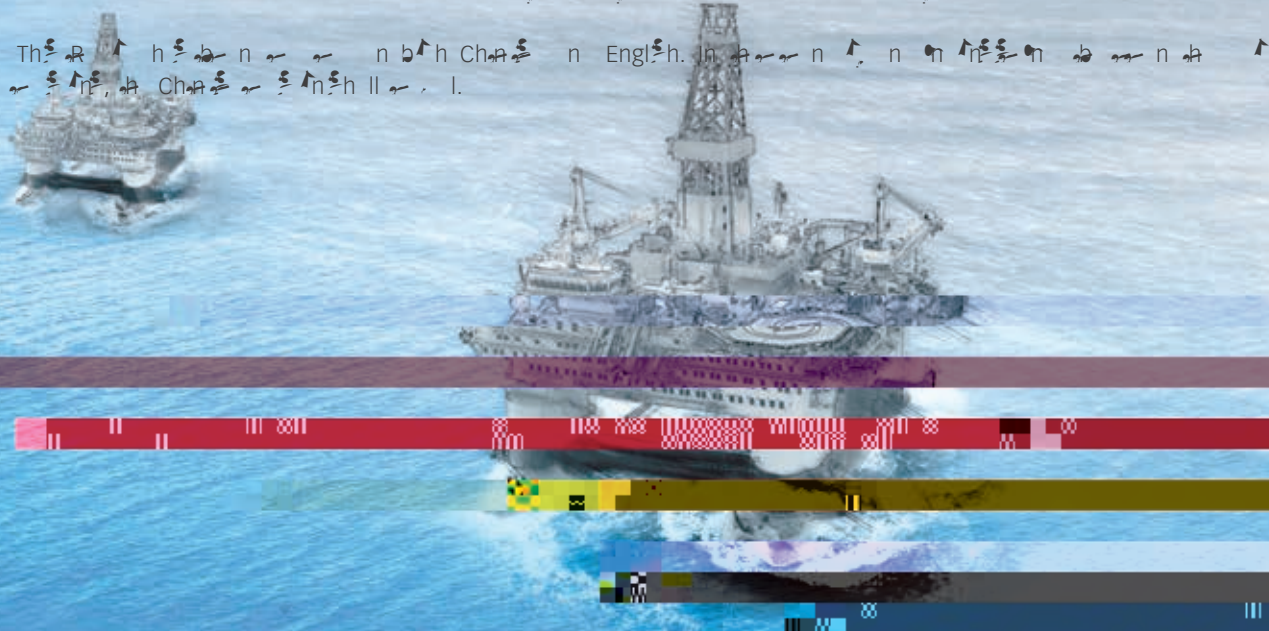
M. Wong Hong, 馮鴻興, Chairman of the Board, M. M. Bui Ng, CEO, and M. Ng Han, 吳漢, Director, in the presence of the Chairman, M. Wong Hong, 馮鴻興, and the Director, M. Ng Han, 吳漢, on the 17th of February 2017 in Hong Kong.

Ngayong araw, ngayong araw, ngayong araw, ngayong araw, ngayong araw, ngayong araw, ngayong araw, ngayong araw.

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840.

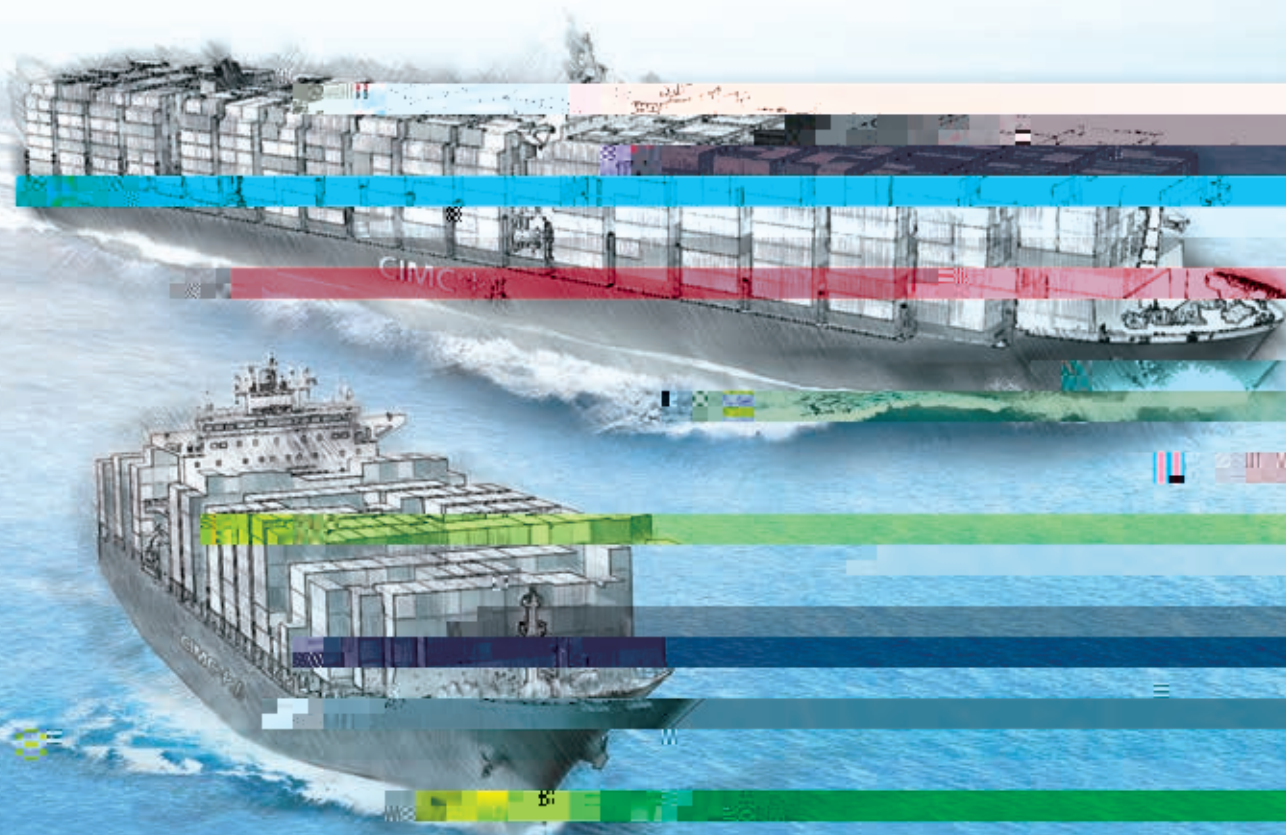
[illegible]

Thy h n n b h Ch n Engl h n n n n b n h Ch n n h ll .



# CONTENTS

|             |                                                                                                        |             |                                                                      |                                                             |
|-------------|--------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------|-------------------------------------------------------------|
| Definitions | 02                                                                                                     | Chapter VI  | Significant Events                                                   | 49                                                          |
| Glossary    | 05                                                                                                     | Chapter VII | Changes in Share Capital and Information on Substantial Shareholders | 70                                                          |
| Chapter I   | Corporate Profile                                                                                      | 06          |                                                                      |                                                             |
| Chapter II  | Summary of Accounting Data and Financial Indicators                                                    | 08          | Chapter VIII                                                         | Information on Directors, Supervisors and Senior Management |
| Chapter III | Report of the Board                                                                                    | 12          | Chapter IX                                                           | 2017 Interim Financial Report (Unaudited)                   |
| Chapter IV  | Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules | 29          | Chapter X                                                            | Documents Available for Inspection                          |
| Chapter V   | Management Discussion and Analysis Prepared in Accordance with Hong Kong Securities Rules              | 43          |                                                                      | 304                                                         |



| Items                                   | Definitions                                                                                                                    |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| A Share (RMB non-voting Ordinary Share) | 凡是以人民幣為單位，每股面值為人民幣1.00元，在發行時每股售價為人民幣1.00元，且不享有優先權及投票權的股份。                                                                      |
| A Share Shareholder                     | 凡是在中國境內，以人民幣為單位，每股面值為人民幣1.00元，且不享有優先權及投票權的股份的所有者。                                                                              |
| Board of Directors                      | 凡是在中國境內，以人民幣為單位，每股面值為人民幣1.00元，且不享有優先權及投票權的股份的所有者。                                                                              |
| C&C Technology                          | C&C Technology Co., Ltd. (集瑞聯合重工有限公司), 在中華人民共和國境內註冊，並於2009年12月12日在中華人民共和國境內註冊。                                                 |
| CASBE                                   | 凡是在中國境內，以人民幣為單位，每股面值為人民幣1.00元，且不享有優先權及投票權的股份的所有者。                                                                              |
| CFSE                                    | China Foreign Shipping Enterprises Group Limited, 在中華人民共和國境內註冊，並於1986年14月14日在中華人民共和國境內註冊。                                      |
| China COSCO Shipping                    | China COSCO Shipping Company Limited, 在中華人民共和國境內註冊，並於2016年12月16日在中華人民共和國境內註冊。                                                  |
| China Merchants Group                   | China Merchants Group Limited, 在中華人民共和國境內註冊，並於1986年14月14日在中華人民共和國境內註冊。                                                         |
| CIMC Container                          | China International Marine Transport Containers (Group) Co., Ltd. (中國國際海運集裝箱集團股份有限公司), 在中華人民共和國境內註冊，並於2004年12月28日在中華人民共和國境內註冊。 |
| CIMC Energy                             | CIMC Energy Holdings Limited (中集安瑞科控股有限公司), 在中華人民共和國境內註冊，並於2004年12月28日在中華人民共和國境內註冊。                                            |
| CIMC Finance                            | CIMC Finance Co., Ltd., 在中華人民共和國境內註冊，並於2010年9月10日在中華人民共和國境內註冊。                                                                 |

|                                                 |                                                                                                                                                        |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| CIMC Fən lē ſng Cŭn n                           | CIMC Fən lē ſng Cŭ, L., ō ſn n ſn ſn ſn n ſn PRC h lſn l b l ſn 30 J l 2007 n hſl -ſn ſn ſn ſn Cŭn n.                                                  |
| CIMC Hſng Kſng                                  | Chn lſn n ſn l M ſn Cŭn ſn ſn (Hſng Kſng) Lſn (中國國際海運集裝箱 香港 有限公司), ō ſn n ſn ſn ſn n Hſng Kſng h lſn l b l ſn 30 J l 1992 n hſl -ſn ſn ſn ſn ſn Cŭn n. |
| CIMC M l ſn IT ſn ſn                            | CIMC M l ſn IT ſn ſn ſn ſn ſn Cŭ, L. (中集多式聯運發展有限公司), ō ſn n ſn ſn ſn n ſn PRC h lſn l b l ſn 29 M ſh 2016 n nſn- hſl -ſn ſn ſn ſn ſn Cŭn n.            |
| CIMC Oſhſ Engſng                                | CIMC Oſhſ Engſng Cŭ, L., ō ſn n ſn ſn ſn n ſn PRC h lſn l b l ſn 21 J l 2016 n hſl -ſn ſn ſn ſn ſn Cŭn n.                                              |
| CIMC R ſn ſn                                    | CIMC R ſn ſn Oſhſ (Sng ſn) Lſn, ō ſn n ſn ſn ſn n Sng ſn h lſn l b l ſn 7 M ſh 1994 n hſl -ſn ſn ſn ſn ſn Cŭn n.                                       |
| CIMC S ſn ſn ſn l ſn                            | Sh n ſn CIMC S ſn ſn ſn l ſn ſn ſn Cŭ, L., ō ſn n ſn ſn ſn n ſn PRC h lſn l b l ſn 24 N ſn ſn 1998 n nſn- hſl -ſn ſn ſn ſn ſn Cŭn n.                   |
| CIMC T n                                        | Sh n ſn CIMC-T n A ſn ſn Cŭ, L. (深圳中集天達空港設備有限公司), ō ſn n ſn ſn ſn n ſn PRC h lſn l b l ſn 18 J l 1992 n nſn- hſl -ſn ſn ſn ſn ſn Cŭn n.                |
| CIMCſn ſn (G ſn)                                | CIMCſn ſn (G ſn) Cŭ, L. (中集車輛集團)有限公司, ō ſn n ſn ſn ſn n ſn PRC h lſn l b l ſn 29 A g ſn 1996 n nſn- hſl -ſn ſn ſn ſn ſn Cŭn n.                         |
| Cſn ſn Gſn n ſn Cſn                             | ſn Cſn ſn Gſn n ſn Cſn ſn ſn n A ſn 14 ſn Hſng Kſng Lſng Rſn ſn.                                                                                       |
| CSRC                                            | Chn ſn ſn ſn g l ſn Cſnſn ſn.                                                                                                                          |
| Dſn ſn                                          | ſn ſn ſn ſn ſn Cŭn n.                                                                                                                                  |
| G ſn, ſn, ſn n ſn                               | ſn Cŭn n n ſn ſn ſn ſn.                                                                                                                                |
| H Shſn (ſn Q ſn ſn ſn ſn ſn ſn) (ſn gn Shſn ſn) | ſn ſn ſn ſn ſn gn ſn n ſn ſn ſn ſn ſn Cŭn n h nſn l ſn ſn RMB1.00 ſn, ſn ſn ſn ſn ſn Hſng Kſng Sſn ſn ſn n Hſng Kſng ſn ſn.                            |
| Hſng Kſng                                       | ſn Hſng Kſng Sſn l A ſn ſn ſn ſn g ſn ſn PRC.                                                                                                          |
| Hſng Kſng Lſng Rſn ſn                           | Rſn ſn Gſn n ſn ſn Lſng ſn ſn ſn ſn ſn Sſn ſn ſn Hſng Kſng Lſn.                                                                                        |

## 04 Definitions

Hng Kng Sō ē h ng Th Sō ē h ng ā, Hng Kng Lrā .

Mā I Cā ā Mā I Cā ā ā ā T n ā ā b Dā ā ā, Lā ā ā ā ā ā n ā n ā n 10 ā ā Hng Kng Lā ng Rā ā .

PRC ā Ch n ā ā ā ā ā ā ā ā Ch n .

PR7( 223P.824U)7ng S ng R23PR ā ā ē h ng



## 06 Chapter I Corporate Profile

### I. COMPANY PROFILE

|                                 |                                                                                     |
|---------------------------------|-------------------------------------------------------------------------------------|
| ĥ g l Chĥ ĩ N ĥ :               | 中國國際海運集裝箱 集團 股份有限公司                                                                 |
| Abb, ĥ Chĥ ĩ N ĥ :              | 中集集團                                                                                |
| Engĥ ĩ N ĥ :                    | Chn lā n ĩn lM ĩ Cĥ ĩ ĩ (G ĩ ) Cĥ, L .                                              |
| Abb, ĥ Engĥ ĩ N ĥ :             | CIMC                                                                                |
| ĥ g lĥ ĥ n ĥ :                  | W ng Hĥng                                                                           |
| A ĥ ĩ ĥ ĥ n ĥ :                 | M Bĥ ng, Y Y ĥ n                                                                    |
| ĥ g ĥ A ĥ ĥ n<br>A ĥ ĥ ĥ ĥ ĥ :  | 8 ĥ Flĥ, CIMC R&D ĥ n, 2 G ng ĥ n ĥ n, Sh ĥ, N ĥ ĥ n Dĥ ĥ, Sh ĥ ĥ n, G ng ĥ ng, PRC |
| Pĥ ĩ Cĥ :                       | 518067                                                                              |
| Cĥ ĥ n W ĥ ĥ :                  | h :// ĥ ĥ ĥ ĥ                                                                       |
| Em ĩ A ĥ ĥ :                    | ĥ ĥ ĥ ĥ @ ĥ ĥ ĥ ĥ                                                                   |
| P ĥ ĩ Pĥ ĥ B ĥ ĥ ĥ n Hĥng Kĥng: | 3101-2 ĩn, n ĥ Pl, 199 ĥ Vĥ Rĥ ĥ n ĩ, Hĥng Kĥng                                     |
| Un, ĥ ĥ ĥ ĥ ĥ :                 | 91440300618869509J                                                                  |

### II. CONTACT PERSONS AND MEANS OF COMMUNICATION

|                        |                                                                                              |
|------------------------|----------------------------------------------------------------------------------------------|
| ĥ ĥ ĥ Bĥ, Cĥ ĥ n ĥ ĥ : | Y Y ĥ n                                                                                      |
| Aĥ ĥ n Cĥ ĥ n ĥ ĥ :    | Sh n Y ng                                                                                    |
| Cĥ ĥ A ĥ ĥ :           | CIMC R&D ĥ n, 2 G ng ĥ n ĥ n, Sh ĥ, N ĥ ĥ n Dĥ ĥ, Sh ĥ ĥ n, G ng ĥ ng, PRC (Pĥ ĥ ĥ : 518067) |
| Cĥ ĥ ĥ ĥ ĥ :           | (86) 755-2669 1130                                                                           |
| Pĥ ĥ ĥ :               | (86) 755-2682 6579                                                                           |
| Em ĩ A ĥ ĥ :           | ĥ ĥ ĥ ĥ @ ĥ ĥ ĥ ĥ                                                                            |
| ĥ ĥ n ĥ ĥ ĥ ĥ ĥ :      | W ng X nj                                                                                    |
| Cĥ ĥ A ĥ ĥ :           | CIMC R&D ĥ n, 2 G ng ĥ n ĥ n, Sh ĥ, N ĥ ĥ n Dĥ ĥ, Sh ĥ ĥ n, G ng ĥ ng, PRC (Pĥ ĥ ĥ : 518067) |
| Cĥ ĥ ĥ ĥ ĥ :           | (86) 755-2680 2706                                                                           |
| Pĥ ĥ ĥ :               | (86) 755-2681 3950                                                                           |
| Em ĩ A ĥ ĥ :           | ĥ ĥ ĥ ĥ @ ĥ ĥ ĥ ĥ                                                                            |

#### IV. STOCK INFORMATION OF THE COMPANY

O. B. CIMC, 9 h Fl, CIMC R&D  
G n, 2 G ng n A n, Sh, N r h n D, Sh n h n,  
G ng ng, PRC (P : 518067)

NA : B h ah b b , a s o t n n n n s o t o h a n l s b h g n l  
 B Sh a h h s h C h n n n PRC n s h ng H Sh s h  
 h C h n n H Sh s h C h n n s n h ng K ng S o t  
 h h h

□ A   , N  

| Consolidated balance sheet items                 | As at the end of the Reporting Period (30 June 2017) (unaudited) | As at the end of previous year (31 December 2016) (audited) | Changes from the end of previous year to the end of the Reporting Period (%) |
|--------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------|
| Total non-current assets                         | 57,457,050                                                       | 53,352,031                                                  | 7.69%                                                                        |
| Total intangible non-current assets              | 72,041,804                                                       | 71,262,717                                                  | 1.09%                                                                        |
| Total current assets                             | 129,498,854                                                      | 124,614,748                                                 | 3.92%                                                                        |
| Total non-current liabilities                    | 53,634,687                                                       | 46,249,215                                                  | 15.97%                                                                       |
| Total intangible non-current liabilities         | 35,992,284                                                       | 39,230,741                                                  | (8.25%)                                                                      |
| Total liabilities                                | 89,626,971                                                       | 85,479,956                                                  | 4.85%                                                                        |
| Total shareholders' equity                       | 39,871,883                                                       | 39,134,792                                                  | 1.88%                                                                        |
| Shareholders' equity attributable to the Company | 29,822,813                                                       | 29,285,970                                                  | 1.83%                                                                        |
| Minority interest                                | 10,049,070                                                       | 9,848,822                                                   | 2.03%                                                                        |
| Shareholders' equity (total)                     | 2,980,352,786                                                    | 2,978,576,986                                               | 0.06%                                                                        |

Un : RMB h n

|                                                        | The Reporting<br>Period (January<br>– June 2017)<br>(unaudited)            | The same period<br>of the previous<br>year (January<br>– June 2016)<br>(unaudited) | Changes from the<br>same period of<br>the previous<br>year to the<br>Reporting Period<br>(%) |
|--------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| <b>Consolidated cash flow statement items</b>          |                                                                            |                                                                                    |                                                                                              |
| At the start of the reporting period                   | (668,216)                                                                  | 933,732                                                                            | (171.56%)                                                                                    |
| At the end of the reporting period                     | (1,507,729)                                                                | (5,376,277)                                                                        | 71.96%                                                                                       |
| At the start of the reporting period, netting          | 1,875,660                                                                  | 5,570,910                                                                          | (66.33%)                                                                                     |
|                                                        |                                                                            |                                                                                    |                                                                                              |
|                                                        | As at the<br>end of the<br>Reporting Period<br>30 June 2017<br>(unaudited) | As at the end<br>of previous year<br>31 December<br>2016<br>(audited)              | Changes from<br>the end of<br>previous year to<br>the end of the<br>Reporting Period<br>(%)  |
| Balance sheet items at the end of the reporting period | 5,940,423                                                                  | 6,338,667                                                                          | (6.28%)                                                                                      |

## Key Financial Indicators

|                                   | The Reporting Period (January – June 2017) (unaudited)           | The same period of the previous year (January – June 2016) (unaudited) | Changes from the same period of the previous year to the Reporting Period (%) |
|-----------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Business income before income tax | 0.2554                                                           | (0.1444)                                                               | 276.87%                                                                       |
| Income tax expense                | 0.2544                                                           | (0.1444)                                                               | 276.18%                                                                       |
| Profit before income tax          | 2.76%                                                            | (1.64%)                                                                | 4.40%                                                                         |
| Income tax expense                | 3.00%                                                            | (2.11%)                                                                | 5.11%                                                                         |
| Profit after income tax           | (0.22)                                                           | 0.31                                                                   | (170.97%)                                                                     |
|                                   |                                                                  |                                                                        |                                                                               |
|                                   | As at the end of the Reporting Period (30 June 2017) (unaudited) | As at the end of previous year (31 December 2016) (audited)            | Changes from the end of previous year to the end of the Reporting Period (%)  |
| Shareholders' equity              | 10.01                                                            | 9.83                                                                   | 1.83%                                                                         |
| Goodwill                          | 69.21%                                                           | 68.60%                                                                 | 0.61%                                                                         |

N<sub>A</sub>: The ng 人 口 在 本 國 的 總 數 是 一 百 萬 人。

## Chapter II Summary of Accounting Data and Financial Indicators

### II. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

#### 1. Differences in net profits and net assets prepared under International Accounting Standards and CASBE

☐ A. Net profits, Net assets

The net profits and net assets prepared under International Accounting Standards and CASBE are the same.

#### 2. Differences in net profits and net assets prepared under foreign accounting standards and CASBE

☐ A. Net profits, Net assets

The net profits and net assets prepared under foreign accounting standards and CASBE are the same.

#### 3. Reason for differences in accounting data under domestic and foreign accounting standards

☐ A. Net profits, Net assets

### III. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNT

, A       □ N    

Un : RMB       n

**Amount**  
**(January – June**  
**2017)**

Tā G n ll ng g n r n  
r n n ll ng g n r n  
n l n , h  
ng n n l  
ll n gn, r n n



# 14 Chapter III Report of the Board

During the reporting period, the company's main business continued to grow. The company's container throughput in 2016: 535,700 TEU (2015: 238,300 TEU), an increase of 124.80%; the company's container throughput in 2016: 35,100 TEU (2015: 22,300 TEU), an increase of 57.40%. The company's operating income in 2016: RMB10,049.055 million (2015: RMB4,898.618 million), an increase of 105.14%; the company's operating profit in 2016: RMB681.102 million (2015: RMB139.632 million), an increase of 391.14%.

In the first half of 2017, the company's main business continued to grow. The company's container throughput in 2017: 535,700 TEU (2016: 535,700 TEU), an increase of 124.80%; the company's container throughput in 2017: 35,100 TEU (2016: 35,100 TEU), an increase of 57.40%. The company's operating income in 2017: RMB10,049.055 million (2016: RMB10,049.055 million), an increase of 105.14%; the company's operating profit in 2017: RMB681.102 million (2016: RMB681.102 million), an increase of 391.14%.

## Road Transportation Vehicle Business

With the company's implementation of the "Global Operation, Local Wisdom" strategy, the company's road transportation vehicle business has achieved significant progress. The company's road transportation vehicle business in 2016: 25,000 units (2015: 20,000 units), an increase of 25.00%; the company's road transportation vehicle business in 2016: 25,000 units (2015: 20,000 units), an increase of 25.00%.



CIMC ErP, n 5 J l 2017, CIMC ErP, h gh  
h ll -l- h SOE CIMC ErP In- h n  
H l ng (Sh n h n) L . n n n l-  
n SOE B n n L n n \* (南 通 太  
平 洋 破 產 清 算 組) l- h n-  
n SOE l- h m j SOE.  
On 4 A g 2017, h SOE n ng  
Pl n b SOE h  
ng n b h-  
n Chn n h h n l n  
Chn . SOE ll m h n h n ng Pl n  
n h , n l n gl .  
On 15 A g 2017, SOE h h n n  
h ll -l- h CIMC ErP n  
h h n ng In- h n Ag- h n  
h h n ng Pl n n h h n n  
n n- h ll -l- h G . SOE  
n h 南通中集太平洋海洋工程有限公司  
(N n ng CIMC S n O, h & Eng- ng  
C, L .\*). F- , h h n n  
nn h n b h C n n n 6  
J l , 4 A g n 16 A g 2017. ng h  
n l- h b h ,  
h h h m n h n n ,  
SOE CIMC ErP m RMB190.521  
m ll n 30 J h 2017. ng l , CIMC ErP  
ll m n l h RMB105.549  
m ll n m h n h h ng h .  
So h , n l- n h 2017  
n h n h G .



[illegible]

D ng 4 ng 4 G lg  
 b RMB3,751.202  
 m ll n (n 2016: RMB3,218.617  
 m ll n), n ng -n  
 16.55%, n RMB57.340 m ll n (n 2016: RMB68.434 m ll n), n ng  
 -n 16.21%. D ng 4  
 R ng , j n  
 n b la n Mngl , g  
 m gn h b ga n l n  
 n -n n

---

(continued)

In 1971, the Government of India, through the Ministry of Education, initiated a series of reforms in the higher education system. These reforms were aimed at improving the quality of education, increasing access, and promoting research and innovation. The reforms included the establishment of the University Grants Commission (UGC), the introduction of the two-year undergraduate programme, and the creation of the Central Board of Secondary Education (CBSE). The Government also initiated a series of measures to improve the infrastructure of higher education, including the construction of new universities and the expansion of existing ones. The reforms have had a significant impact on the higher education system in India, leading to the establishment of a large number of new universities and the improvement of the quality of education. The Government continues to be committed to the improvement of higher education in India, and is implementing a series of new measures to achieve this goal.

gh ng l g h  
 X n n Sh n n n n n n n  
 l h ng n l  
 ll b n h ng n gh ng.  
 B ng g h n g  
 b l n ng Th l n n n n  
 ng n, g ll  
 b n n g g n l ng  
 S A n n n l  
 b n n n  
 B l n R n n M E n G n l  
 A b ng n l h g n l  
 ng n n b n n  
 l. (3) Th l b l n  
 n ng n b ng n  
 g n n n. CIMC K ng L

## Heavy Truck Business

C&C Truck, the wholly-owned subsidiary of GAC, is engaged in the heavy truck business. C&C Truck is a leading manufacturer of heavy trucks in China. It has a long history of manufacturing heavy trucks and has a strong market position. C&C Truck's products are widely used in various industries, including construction, mining, and transportation. The company has a strong R&D capability and is committed to providing high-quality products and services to its customers. C&C Truck's revenue is primarily derived from the sale of heavy trucks and related components. The company's performance is closely tied to the overall demand for heavy trucks in the market.

In the first half of 2017, C&C Truck's revenue increased significantly compared to the same period in 2016. This was primarily due to the strong demand for heavy trucks in the market. C&C Truck's revenue for the first half of 2017 was RMB1,283.201 million, compared to RMB860.359 million in the first half of 2016. The increase in revenue was driven by the company's strong sales performance and the expansion of its product line. C&C Truck's gross profit margin for the first half of 2017 was 47.79%, compared to 49.15% in the first half of 2016. The company's operating profit for the first half of 2017 was RMB42.814 million, compared to RMB96.523 million in the first half of 2016. The decrease in operating profit was primarily due to the increase in the cost of raw materials and the depreciation of fixed assets.

During the first half of 2017, C&C Truck's revenue increased by 49.15% compared to the same period in 2016. This was primarily due to the strong demand for heavy trucks in the market. C&C Truck's revenue for the first half of 2017 was RMB1,283.201 million, compared to RMB860.359 million in the first half of 2016. The increase in revenue was driven by the company's strong sales performance and the expansion of its product line. C&C Truck's gross profit margin for the first half of 2017 was 47.79%, compared to 49.15% in the first half of 2016. The company's operating profit for the first half of 2017 was RMB42.814 million, compared to RMB96.523 million in the first half of 2016. The decrease in operating profit was primarily due to the increase in the cost of raw materials and the depreciation of fixed assets.

During the first half of 2017, C&C Truck's revenue increased by 49.15% compared to the same period in 2016.



In the first half of 2017, the company's operating income increased significantly compared with the same period of the previous year. The company's operating income for the first half of 2017 was RMB297.664 million, compared with RMB315.698 million for the same period of 2016, a decrease of 5.71%. The company's operating income for the first half of 2017 was RMB65.035 million, compared with RMB42.775 million for the same period of 2016, an increase of 52.04%. The company's operating income for the first half of 2017 was RMB65.035 million, compared with RMB42.775 million for the same period of 2016, an increase of 52.04%.

During the reporting period, the company's operating income increased significantly compared with the same period of the previous year. The company's operating income for the reporting period was RMB297.664 million, compared with RMB315.698 million for the same period of 2016, a decrease of 5.71%. The company's operating income for the reporting period was RMB65.035 million, compared with RMB42.775 million for the same period of 2016, an increase of 52.04%.

In the first half of 2017, CIMC's operating income increased significantly compared with the same period of the previous year. The company's operating income for the first half of 2017 was RMB297.664 million, compared with RMB315.698 million for the same period of 2016, a decrease of 5.71%. The company's operating income for the first half of 2017 was RMB65.035 million, compared with RMB42.775 million for the same period of 2016, an increase of 52.04%.

The company's operating income for the first half of 2017 was RMB297.664 million, compared with RMB315.698 million for the same period of 2016, a decrease of 5.71%.

## 22 Chapter III Report of the Board

In the first half of 2017, the company continued to implement the strategy of "focus on the main business, expand the scale of business, and improve the quality of business". The company achieved significant progress in the main business, and the operating performance was stable. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents.

In the first half of 2017, the company continued to implement the strategy of "focus on the main business, expand the scale of business, and improve the quality of business". The company achieved significant progress in the main business, and the operating performance was stable. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents.

The company continued to implement the strategy of "focus on the main business, expand the scale of business, and improve the quality of business". The company achieved significant progress in the main business, and the operating performance was stable. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents.

### Other Businesses

The company continued to implement the strategy of "focus on the main business, expand the scale of business, and improve the quality of business". The company achieved significant progress in the main business, and the operating performance was stable. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents. The company's main business is the production and sales of various chemical products, including ethylene glycol, propylene glycol, and various organic solvents.

In the following table, 2017, the G...  
 b l ng b ... ll, ... n g  
 m ... n g U.K. n A ... l n ll  
 ... h m ... n ... n  
 ... m ... h ... A ... n N ... n E ...  
 ... n ... In ...  
 ... m ... n ... B l n R ...  
 ... n X ng' n N n C ... (A ... ll ...), 37( ) 0.026 T 0 -1.4( ... b(b b TD

## 24 Chapter III Report of the Board

**In respect of the road transportation vehicle business,** in the first half of 2017, the company has continued to expand its business in the United States.

In respect of the container manufacturing business, in 2017, the Group

2017, *Journal of Management Education* 41(10), 1000-1015. doi:10.1177/0013164417708888. Copyright © 2017 Sage Publications. All rights reserved. This article is intended solely for the personal use of the individual user and is not to be disseminated broadly. No part of this article may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage or retrieval system, without permission in writing from Sage Publications. For more information, contact Sage Publications, 2455 Teller Road, Thousand Oaks, CA 91320, USA. Email: journals@sagepub.com. SAGE is a registered trademark of Sage Publications. All other trademarks are the property of their respective owners.

[illegible]

In respect of the airport facilities equipment business, in FY 2017, the Group has

In respect of the real estate development business, in FY 2017, the Company's sales volume was approximately 1.2 million square meters, an increase of about 10% compared with FY 2016. The Company's sales volume in FY 2017 was approximately 1.2 million square meters, an increase of about 10% compared with FY 2016. The Company's sales volume in FY 2017 was approximately 1.2 million square meters, an increase of about 10% compared with FY 2016.

[illegible]

#### 4. Main Risk Factors for Future Development of the Group

Risk of economic periodic fluctuations and trade protection: The U.S.

## Chapter III Report of the Board

**Risk of industry policy upgrade:** China  
 Guangdong, China  
 Shanghai  
 Guangzhou  
 Shenzhen  
 Hong Kong

## CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

29

### I. BUSINESS OVERVIEW

#### (I) Principal Business Engaged by the Company during the Reporting Period

The Company is engaged in the business of manufacturing and sales of various types of electronic components, including integrated circuits, capacitors, resistors, and other electronic components. The Company's principal business is the manufacturing and sales of various types of electronic components, including integrated circuits, capacitors, resistors, and other electronic components. The Company's principal business is the manufacturing and sales of various types of electronic components, including integrated circuits, capacitors, resistors, and other electronic components.

#### (II) Significant Changes in the Major Assets during the Reporting Period

##### 1. Significant Changes in the Major Assets

The Company's major assets are land, buildings, machinery, and equipment. The Company's major assets are land, buildings, machinery, and equipment. The Company's major assets are land, buildings, machinery, and equipment.

##### 2. Main Overseas Assets

The Company has no overseas assets.

#### (III) Analysis of Core Competitive Advantages

##### Strategic Positioning of "Manufacture + Service + Finance"

The Company's core competitive advantages are its strong manufacturing capabilities, its comprehensive service network, and its financial strength. The Company's core competitive advantages are its strong manufacturing capabilities, its comprehensive service network, and its financial strength. The Company's core competitive advantages are its strong manufacturing capabilities, its comprehensive service network, and its financial strength.



# CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

31

## II. OPERATION DISCUSSION AND ANALYSIS

### (I) Overview

For the first half of the year, the Group's operating results are as follows: (1) Operating income: 253,412 million yuan, an increase of 1,413.27% compared with the same period last year; (2) Operating profit: 2,612,280 million yuan, an increase of 54.78% compared with the same period last year.

### (II) Analysis of Principal Businesses

#### 1. Year-on-year Changes exceeding 30% in Key Financial Data

Unit: RMB million

|                         | As at the end of the Reporting Period (30 June 2017) (unaudited) | As at the end of the Reporting Period (31 December 2016) (audited) | Change (%) | Reason for change                                                                                                                                                                                                |
|-------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operating income        | 253,412                                                          | 16,746                                                             | 1,413.27%  | Mainly due to the increase in the operating income of the Group's subsidiaries, particularly the increase in the operating income of the Group's subsidiaries in the field of integrated circuits.               |
| Operating profit        | 2,612,280                                                        | 1,687,762                                                          | 54.78%     | Mainly due to the increase in the operating profit of the Group's subsidiaries, particularly the increase in the operating profit of the Group's subsidiaries in the field of integrated circuits.               |
|                         |                                                                  |                                                                    |            |                                                                                                                                                                                                                  |
|                         | The Reporting Period (January to June 2017) (unaudited)          | The Reporting Period (January to June 2016) (unaudited)            | Change (%) | Reason for change                                                                                                                                                                                                |
| Financial assets        | 594,251                                                          | 304,944                                                            | 94.87%     | Mainly due to the increase in the financial assets of the Group's subsidiaries, particularly the increase in the financial assets of the Group's subsidiaries in the field of integrated circuits.               |
| Assets under management | 234,437                                                          | 1,267,501                                                          | (81.50%)   | Mainly due to the decrease in the assets under management of the Group's subsidiaries, particularly the decrease in the assets under management of the Group's subsidiaries in the field of integrated circuits. |
| (Loss) / Profit         | (32,626)                                                         | 137,104                                                            | (123.80%)  | Mainly due to the decrease in the profit of the Group's subsidiaries, particularly the decrease in the profit of the Group's subsidiaries in the field of integrated circuits.                                   |
| Interest income         | (10,628)                                                         | (87,328)                                                           | 87.83%     | Mainly due to the decrease in the interest income of the Group's subsidiaries, particularly the decrease in the interest income of the Group's subsidiaries in the field of integrated circuits.                 |

## CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

|                                 | The Reporting<br>Period (January<br>to June 2017)<br>(unaudited) | Same<br>Period<br>2016 (June<br>to June 2016)<br>(unaudited) | Change<br>(%) | Reason for Change                                                         |
|---------------------------------|------------------------------------------------------------------|--------------------------------------------------------------|---------------|---------------------------------------------------------------------------|
| Cost of sales of containers     | 21,903                                                           | 241,771                                                      | (90.94%)      | Mainly due to the decrease in the cost of containers sold.                |
| Cost of sales of other products | 142,020                                                          | 791,687                                                      | (82.06%)      | Mainly due to the decrease in the cost of other products sold.            |
| Administrative expenses         | 5,000                                                            | 764,577                                                      | (99.35%)      | Mainly due to the decrease in the administrative expenses of the company. |
| Cost of sales of other products | 33,776                                                           | 1,542,157                                                    | (97.81%)      | Mainly due to the decrease in the cost of other products sold.            |

The above changes in the cost of sales of containers and other products are mainly due to the changes in the volume of sales.

□ A. Other products

The above changes in the cost of sales of other products are mainly due to the changes in the volume of sales.

## CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

33

### 2. Composition of Principal Businesses during the Reporting Period

Unit: RMB million

|                         | Revenue<br>(unaudited) | Cost of<br>sales<br>(unaudited) | Gross profit<br>margin<br>(unaudited) | Changes<br>in revenue<br>from the<br>same period<br>of previous<br>year | Changes<br>in cost of<br>sales from<br>the same<br>period of<br>previous<br>year | Changes in<br>gross profit<br>margin from<br>the same<br>period of<br>previous<br>year |
|-------------------------|------------------------|---------------------------------|---------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| By industry/product     |                        |                                 |                                       |                                                                         |                                                                                  |                                                                                        |
| Construction            | 10,049,055             | 8,254,228                       | 17.86%                                | 105.14%                                                                 | 96.75%                                                                           | 3.50%                                                                                  |
| Real estate management  | 9,719,601              | 7,952,957                       | 18.18%                                | 38.59%                                                                  | 39.75%                                                                           | (0.68%)                                                                                |
| Engineering consulting  | 5,060,511              | 4,191,438                       | 17.17%                                | 16.65%                                                                  | 18.76%                                                                           | (1.47%)                                                                                |
| Other engineering       | 1,214,509              | 1,347,363                       | (10.94%)                              | (67.21%)                                                                | (59.41%)                                                                         | (21.32%)                                                                               |
| Advertising             | 1,180,919              | 954,996                         | 19.13%                                | 4.65%                                                                   | 5.78%                                                                            | (0.86%)                                                                                |
| Logistics               | 3,751,202              | 3,371,872                       | 10.11%                                | 16.55%                                                                  | 19.29%                                                                           | (2.07%)                                                                                |
| Financial services      | 1,148,040              | 498,703                         | 56.56%                                | 3.02%                                                                   | 36.13%                                                                           | (10.57%)                                                                               |
| Other services          | 297,664                | 162,201                         | 45.51%                                | (5.71%)                                                                 | 3.57%                                                                            | (4.88%)                                                                                |
| Other                   | 1,283,201              | 1,206,432                       | 5.98%                                 | 49.15%                                                                  | 44.01%                                                                           | 3.35%                                                                                  |
| Other                   | 1,394,177              | 1,170,585                       | 16.04%                                | 368.91%                                                                 | 429.55%                                                                          | (9.61%)                                                                                |
| Other                   | (1,711,727)            | (1,869,211)                     | -                                     | (48.84%)                                                                | (35.97%)                                                                         | -                                                                                      |
| Total                   | 33,387,152             | 27,241,564                      | 18.41%                                | 41.81%                                                                  | 42.43%                                                                           | (0.35%)                                                                                |
| By region (by receiver) |                        |                                 |                                       |                                                                         |                                                                                  |                                                                                        |
| China                   | 14,794,349             | -                               | -                                     | 74.98%                                                                  | -                                                                                | -                                                                                      |
| Asia (excluding China)  | 3,384,378              | -                               | -                                     | 84.09%                                                                  | -                                                                                | -                                                                                      |
| Africa                  | 6,645,230              | -                               | -                                     | 89.69%                                                                  | -                                                                                | -                                                                                      |
| Europe                  | 7,341,001              | -                               | -                                     | (11.38%)                                                                | -                                                                                | -                                                                                      |
| Other                   | 1,222,194              | -                               | -                                     | (16.47%)                                                                | -                                                                                | -                                                                                      |
| Total                   | 33,387,152             | -                               | -                                     | 41.81%                                                                  | -                                                                                | -                                                                                      |

## CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

### (III) Analysis of Non-Principal Businesses

Table 4-1: Analysis of Non-Principal Businesses

Unit: RMB million

| Item                                             | Amount   | Proportion in total profit | Explanation on the formation                                                                                                                                                                                                                      | Sustainable or not |
|--------------------------------------------------|----------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Interest income on bank deposits                 | (10,628) | (0.67%)                    | Mainly interest income on bank deposits, including interest income on deposits with the People's Bank of China, interest income on deposits with large and medium-sized banks, and interest income on deposits with small and medium-sized banks. | Not sustainable    |
| Profit from the sale of fixed assets             | (32,626) | (2.07%)                    | Mainly profit from the sale of fixed assets, including profit from the sale of land use rights, profit from the sale of buildings, and profit from the sale of machinery and equipment.                                                           | Not sustainable    |
| Profit from the sale of intangible assets        | 234,437  | 14.87%                     | Mainly profit from the sale of intangible assets, including profit from the sale of patents, profit from the sale of trademarks, and profit from the sale of software.                                                                            | Not sustainable    |
| Profit from the sale of long-term investments    | 84,343   | 5.35%                      | Mainly profit from the sale of long-term investments, including profit from the sale of equity investments in subsidiaries and profit from the sale of equity investments in associates.                                                          | Not sustainable    |
| Profit from the sale of other non-current assets | 32,404   | 2.06%                      | Mainly profit from the sale of other non-current assets, including profit from the sale of land use rights, profit from the sale of buildings, and profit from the sale of machinery and equipment.                                               | Not sustainable    |

### (IV) Assets and Liabilities

#### 1. Significant Changes in Assets

Unit: RMB million

| As at the end of the Reporting Period  |            |                   | Change     |                   |            | Change   |            |
|----------------------------------------|------------|-------------------|------------|-------------------|------------|----------|------------|
| Item                                   | Amount     | % of total assets | Amount     | % of total assets | Change (%) | Change   | Change (%) |
| Current assets                         | 5,737,102  | 4.43%             | 6,325,998  | 5.08%             | (0.65%)    | Decrease | Decrease   |
| Non-current assets                     | 16,371,018 | 12.64%            | 11,526,075 | 9.25%             | 3.39%      | Decrease | Decrease   |
| Interest receivable                    | 18,336,871 | 14.16%            | 17,409,515 | 13.97%            | 0.19%      | Decrease | Decrease   |
| Interest receivable from bank deposits | 1,722,065  | 1.33%             | 1,752,608  | 1.41%             | (0.08%)    | Decrease | Decrease   |
| Long-term receivables                  | 2,249,428  | 1.74%             | 2,162,217  | 1.74%             | 0.00%      | Decrease | Decrease   |
| Financial assets                       | 21,674,735 | 16.74%            | 22,037,261 | 17.68%            | (0.94%)    | Decrease | Decrease   |
| Capital assets                         | 23,804,653 | 18.38%            | 22,769,189 | 18.27%            | 0.11%      | Decrease | Decrease   |
| Share in subsidiaries and associates   | 17,945,748 | 13.86%            | 15,729,787 | 12.62%            | 1.24%      | Decrease | Decrease   |
| Long-term receivables                  | 23,665,089 | 18.27%            | 27,023,222 | 21.69%            | (3.42%)    | Decrease | Decrease   |

## CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules 35

### 2. Assets and Liabilities Measured at Fair Value

1. A 10-11-2017

Un : RMB h 10-11-2017

| Item | Amount at the beginning of the period | Profit or loss arising from changes in fair value for the Reporting Period | Cumulative changes in fair value recognised in equity | Impairment provision for the Reporting Period | Purchases for the Reporting Period | Sales for the Reporting Period | Amount at the end of the Reporting Period |
|------|---------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|------------------------------------|--------------------------------|-------------------------------------------|
|      |                                       |                                                                            |                                                       |                                               |                                    |                                |                                           |

## 36 CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

### (V) Analysis of Investments during the Reporting Period

# CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules 37

## 4. Financial Asset Investments

( )

A ☒ B ☐ C ☐ D ☐ E ☐ F ☐ G ☐ H ☐ I ☐ J ☐ K ☐ L ☐ M ☐ N ☐ O ☐ P ☐ Q ☐ R ☐ S ☐ T ☐ U ☐ V ☐ W ☐ X ☐ Y ☐ Z ☐ AA ☐ AB ☐ AC ☐ AD ☐ AE ☐ AF ☐ AG ☐ AH ☐ AI ☐ AJ ☐ AK ☐ AL ☐ AM ☐ AN ☐ AO ☐ AP ☐ AQ ☐ AR ☐ AS ☐ AT ☐ AU ☐ AV ☐ AW ☐ AX ☐ AY ☐ AZ ☐ BA ☐ BB ☐ BC ☐ BD ☐ BE ☐ BF ☐ BG ☐ BH ☐ BI ☐ BJ ☐ BK ☐ BL ☐ BM ☐ BN ☐ BO ☐ BP ☐ BQ ☐ BR ☐ BS ☐ BT ☐ BU ☐ BV ☐ BW ☐ BX ☐ BY ☐ BZ ☐ CA ☐ CB ☐ CC ☐ CD ☐ CE ☐ CF ☐ CG ☐ CH ☐ CI ☐ CJ ☐ CK ☐ CL ☐ CM ☐ CN ☐ CO ☐ CP ☐ CQ ☐ CR ☐ CS ☐ CT ☐ CU ☐ CV ☐ CW ☐ CX ☐ CY ☐ CZ ☐ DA ☐ DB ☐ DC ☐ DD ☐ DE ☐ DF ☐ DG ☐ DH ☐ DI ☐ DJ ☐ DK ☐ DL ☐ DM ☐ DN ☐ DO ☐ DP ☐ DQ ☐ DR ☐ DS ☐ DT ☐ DU ☐ DV ☐ DW ☐ DX ☐ DY ☐ DZ ☐ EA ☐ EB ☐ EC ☐ ED ☐ EE ☐ EF ☐ EG ☐ EH ☐ EI ☐ EJ ☐ EK ☐ EL ☐ EM ☐ EN ☐ EO ☐ EP ☐ EQ ☐ ER ☐ ES ☐ ET ☐ EU ☐ EV ☐ EW ☐ EX ☐ EY ☐ EZ ☐ FA ☐ FB ☐ FC ☐ FD ☐ FE ☐ FF ☐ FG ☐ FH ☐ FI ☐ FJ ☐ FK ☐ FL ☐ FM ☐ FN ☐ FO ☐ FP ☐ FQ ☐ FR ☐ FS ☐ FT ☐ FU ☐ FV ☐ FW ☐ FX ☐ FY ☐ FZ ☐ GA ☐ GB ☐ GC ☐ GD ☐ GE ☐ GF ☐ GG ☐ GH ☐ GI ☐ GJ ☐ GK ☐ GL ☐ GM ☐ GN ☐ GO ☐ GP ☐ GQ ☐ GR ☐ GS ☐ GT ☐ GU ☐ GV ☐ GW ☐ GX ☐ GY ☐ GZ ☐ HA ☐ HB ☐ HC ☐ HD ☐ HE ☐ HF ☐ HG ☐ HH ☐ HI ☐ HJ ☐ HK ☐ HL ☐ HM ☐ HN ☐ HO ☐ HP ☐ HQ ☐ HR ☐ HS ☐ HT ☐ HU ☐ HV ☐ HW ☐ HX ☐ HY ☐ HZ ☐ IA ☐ IB ☐ IC ☐ ID ☐ IE ☐ IF ☐ IG ☐ IH ☐ II ☐ IJ ☐ IK ☐ IL ☐ IM ☐ IN ☐ IO ☐ IP ☐ IQ ☐ IR ☐ IS ☐ IT ☐ IU ☐ IV ☐ IW ☐ IX ☐ IY ☐ IZ ☐ JA ☐ JB ☐ JC ☐ JD ☐ JE ☐ JF ☐ JG ☐ JH ☐ JI ☐ JJ ☐ JK ☐ JL ☐ JM ☐ JN ☐ JO ☐ JP ☐ JQ ☐ JR ☐ JS ☐ JT ☐ JU ☐ JV ☐ JW ☐ JX ☐ JY ☐ JZ ☐ KA ☐ KB ☐ KC ☐ KD ☐ KE ☐ KF ☐ KG ☐ KH ☐ KI ☐ KJ ☐ KK ☐ KL ☐ KM ☐ KN ☐ KO ☐ KP ☐ KQ ☐ KR ☐ KS ☐ KT ☐ KU ☐ KV ☐ KW ☐ KX ☐ KY ☐ KZ ☐ LA ☐ LB ☐ LC ☐ LD ☐ LE ☐ LF ☐ LG ☐ LH ☐ LI ☐ LJ ☐ LK ☐ LL ☐ LM ☐ LN ☐ LO ☐ LP ☐ LQ ☐ LR ☐ LS ☐ LT ☐ LU ☐ LV ☐ LW ☐ LX ☐ LY ☐ LZ ☐ MA ☐ MB ☐ MC ☐ MD ☐ ME ☐ MF ☐ MG ☐ MH ☐ MI ☐ MJ ☐ MK ☐ ML ☐ MM ☐ MN ☐ MO ☐ MP ☐ MQ ☐ MR ☐ MS ☐ MT ☐ MU ☐ MV ☐ MW ☐ MX ☐ MY ☐ MZ ☐ NA ☐ NB ☐ NC ☐ ND ☐ NE ☐ NF ☐ NG ☐ NH ☐ NI ☐ NJ ☐ NK ☐ NL ☐ NM ☐ NO ☐ NP ☐ NQ ☐ NR ☐ NS ☐ NT ☐ NU ☐ NV ☐ NW ☐ NX ☐ NY ☐ NZ ☐ OA ☐ OB ☐ OC ☐ OD ☐ OE ☐ OF ☐ OG ☐ OH ☐ OI ☐ OJ ☐ OK ☐ OL ☐ OM ☐ ON ☐ OO ☐ OP ☐ OQ ☐ OR ☐ OS ☐ OT ☐ OU ☐ OV ☐ OW ☐ OX ☐ OY ☐ OZ ☐ PA ☐ PB ☐ PC ☐ PD ☐ PE ☐ PF ☐ PG ☐ PH ☐ PI ☐ PJ ☐ PK ☐ PL ☐ PM ☐ PN ☐ PO ☐ PP ☐ PQ ☐ PR ☐ PS ☐ PT ☐ PU ☐ PV ☐ PW ☐ PX ☐ PY ☐ PZ ☐ QA ☐ QB ☐ QC ☐ QD ☐ QE ☐ QF ☐ QG ☐ QH ☐ QI ☐ QJ ☐ QK ☐ QL ☐ QM ☐ QN ☐ QO ☐ QP ☐ QQ ☐ QR ☐ QS ☐ QT ☐ QU ☐ QV ☐ QW ☐ QX ☐ QY ☐ QZ ☐ RA ☐ RB ☐ RC ☐ RD ☐ RE ☐ RF ☐ RG ☐ RH ☐ RI ☐ RJ ☐ RK ☐ RL ☐ RM ☐ RN ☐ RO ☐ RP ☐ RQ ☐ RR ☐ RS ☐ RT ☐ RU ☐ RV ☐ RW ☐ RX ☐ RY ☐ RZ ☐ SA ☐ SB ☐ SC ☐ SD ☐ SE ☐ SF ☐ SG ☐ SH ☐ SI ☐ SJ ☐ SK ☐ SL ☐ SM ☐ SN ☐ SO ☐ SP ☐ SQ ☐ SR ☐ SS ☐ ST ☐ SU ☐ SV ☐ SW ☐ SX ☐ SY ☐ SZ ☐ TA ☐ TB ☐ TC ☐ TD ☐ TE ☐ TF ☐ TG ☐ TH ☐ TI ☐ TJ ☐ TK ☐ TL ☐ TM ☐ TN ☐ TO ☐ TP ☐ TQ ☐ TR ☐ TS ☐ TT ☐ TU ☐ TV ☐ TW ☐ TX ☐ TY ☐ TZ ☐ UA ☐ UB ☐ UC ☐ UD ☐ UE ☐ UF ☐ UG ☐ UH ☐ UI ☐ UJ ☐ UK ☐ UL ☐ UM ☐ UN ☐ UO ☐ UP ☐ UQ ☐ UR ☐ US ☐ UT ☐ UU ☐ UV ☐ UW ☐ UX ☐ UY ☐ UZ ☐ VA ☐ VB ☐ VC ☐ VD ☐ VE ☐ VF ☐ VG ☐ VH ☐ VI ☐ VJ ☐ VK ☐ VL ☐ VM ☐ VN ☐ VO ☐ VP ☐ VQ ☐ VR ☐ VS ☐ VT ☐ VU ☐ VV ☐ VW ☐ VX ☐ VY ☐ VZ ☐ WA ☐ WB ☐ WC ☐ WD ☐ WE ☐ WF ☐ WG ☐ WH ☐ WI ☐ WJ ☐ WK ☐ WL ☐ WM ☐ WN ☐ WO ☐ WP ☐ WQ ☐ WR ☐ WS ☐ WT ☐ WU ☐ WV ☐ WW ☐ WX ☐ WY ☐ WZ ☐ XA ☐ XB ☐ XC ☐ XD ☐ XE ☐ XF ☐ XG ☐ XH ☐ XI ☐ XJ ☐ XK ☐ XL ☐ XM ☐ XN ☐ XO ☐ XP ☐ XQ ☐ XR ☐ XS ☐ XT ☐ XU ☐ XV ☐ XW ☐ XX ☐ XY ☐ XZ ☐ YA ☐ YB ☐ YC ☐ YD ☐ YE ☐ YF ☐ YG ☐ YH ☐ YI ☐ YJ ☐ YK ☐ YL ☐ YM ☐ YN ☐ YO ☐ YP ☐ YQ ☐ YR ☐ YS ☐ YT ☐ YU ☐ YV ☐ YW ☐ YX ☐ YZ ☐ ZA ☐ ZB ☐ ZC ☐ ZD ☐ ZE ☐ ZF ☐ ZG ☐ ZH ☐ ZI ☐ ZJ ☐ ZK ☐ ZL ☐ ZM ☐ ZN ☐ ZO ☐ ZP ☐ ZQ ☐ ZR ☐ ZS ☐ ZT ☐ ZU ☐ ZV ☐ ZW ☐ ZX ☐ ZY ☐ ZZ

Unit: RMB million

| Securities             | Stock code | Abbreviation of stock name | Initial investment cost | Modes of accounting measurement | Book value at the beginning of the period | Profit or loss arising from changes in fair value during the current period | Cumulative changes in fair value recognised in equity | Purchases for the current period | Sales for the current period | Profit or loss during the Reporting Period | Book value at the end of the period | Classification in accounting                                      | Source of funds                       |
|------------------------|------------|----------------------------|-------------------------|---------------------------------|-------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------|------------------------------|--------------------------------------------|-------------------------------------|-------------------------------------------------------------------|---------------------------------------|
| H Share                | 6198       | Qinghai P                  | 128,589                 | Fair value                      | 133,400                                   | 28,637                                                                      | -                                                     | -                                | -                            | -                                          | 157,489                             | Financial assets at fair value through profit or loss             | From the disposal of financial assets |
| H Share                | 368        | Sinohydro Sh H             | 20,742                  | Fair value                      | 3,860                                     | 1,407                                                                       | -                                                     | -                                | -                            | -                                          | 5,123                               | Financial assets at fair value through profit or loss             | From the disposal of financial assets |
| Other financial assets |            |                            |                         |                                 | 812                                       | (210)                                                                       | -                                                     | -                                | -                            | -                                          | 17,745                              | Financial assets at fair value through other comprehensive income | From the disposal of financial assets |



## CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

39

### (VI) Disposal of Substantial Assets and Equity Interests

#### 1. Disposal of Substantial Assets

☐ A 0, N 0

#### 2. Disposal of Substantial Equity Interests

☐ A 0, N 0

### (VII) Analysis of Principal Subsidiaries and Associates

, A 0 ☐ N 0

#### Details on acquiring and disposing subsidiaries during the Reporting Period

☐ A 0, N 0

During the reporting period, the Group has not acquired or disposed of any subsidiaries. The Group has not acquired or disposed of any subsidiaries during the reporting period.

#### Details on the principal subsidiaries

The Group has not acquired or disposed of any principal subsidiaries during the reporting period. The Group has not acquired or disposed of any principal subsidiaries during the reporting period.

## 40 CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

Subsidiaries or associates contributing to more than 10% of the Company's net profits



## CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

| Date of reception | Mode of reception      | Type of party received                                                                                                                                                                                                        | Brief description on research |
|-------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 24 Feb 2017       | Vietnam Zhongguo       | Equity                                                                                                                                                                                                                        | Brief description on research |
| 11 Apr 2017       | Equity                 | Ordinary                                                                                                                                                                                                                      | Brief description on research |
| 28 Apr 2017       | Equity                 | CICC                                                                                                                                                                                                                          | Brief description on research |
| 17 May 2017       | Equity                 | Equity                                                                                                                                                                                                                        | Brief description on research |
| 18 May 2017       | Vietnam Kweichow Shing | Equity, ICBC, S, F, BNY, C, TF, Zhong, Shing, Ir, Shing, A, E, H, nl, Ir, (瀚倫投資), F, UBS, G, J, Zhing, F, Chn, AMC, T, nhing, M, ng, H, H, Ch, ng, BOC, In, W, ng, C, CIB, F, CITIC, In, ABC, F, ng, A, P, ng, An, n, G, F, n | Brief description on research |
| 23 May 2017       | Vietnam Shing          | M, g, n, S                                                                                                                                                                                                                    | Brief description on research |
| 7 Jun 2017        | Vietnam Kweichow Shing | HSBC                                                                                                                                                                                                                          | Brief description on research |

# Chapter V Management Discussion and Analysis Prepared in Accordance with Hong Kong Securities Rules

The following information is provided for the purpose of enabling investors to make an informed decision on the investment in the Company. The following information is provided for the purpose of enabling investors to make an informed decision on the investment in the Company.

## CHANGES IN ACCOUNTING POLICIES FOR THE REPORTING PERIOD

On 28 August 2017, the Company has adopted the new accounting standards issued by the International Accounting Standards Board ("IASB") effective from 1 January 2017. The Company has adopted the new accounting standards issued by the International Accounting Standards Board ("IASB") effective from 1 January 2017. The Company has adopted the new accounting standards issued by the International Accounting Standards Board ("IASB") effective from 1 January 2017.

## CONSOLIDATED OPERATING RESULTS

The following table sets out the consolidated operating results of the Company for the periods indicated. The consolidated operating results of the Company for the periods indicated are as follows:

## SEGMENT INFORMATION

The following table sets out the segment information of the Company for the periods indicated. The segment information of the Company for the periods indicated is as follows:

## GROSS PROFIT MARGIN AND PROFITABILITY

The following table sets out the gross profit margin and profitability of the Company for the periods indicated. The gross profit margin and profitability of the Company for the periods indicated are as follows:

Chapter V Management Discussion and Analysis Prepared in Accordance with Hong Kong Securities Rules

## NON-OPERATING INCOME

D ng 4 4 4 ng 4 4 4 G 4 4 4 n n 4 4 ng  
4 4 4 4 RMB84.343 4 4 4 n 4 4 4 4 n  
2016: RMB167.289 4 4 4 n), 4 4 4 n ng  
4 4 4 4 49.58%, 4 h 4 4 4 n l b b 4 4  
4 gn 4 4 4 g 4 n 4 n g n 4 l ng 4 4 n  
4 , 4 4 4 G 4 4 4 4 4 4 4 4 4 4 4 b  
4 4 4 n 4 ng 4 n 4 n g n 4 4 CASBE  
ng 4 4 4 ng 4 4 . F 4 4 4 4 4 4 4  
n 4 IV. 60 4 Ch 4 IX 2017 4 4 4 n F n 4 4 4  
(Un 4 ) n h 4 4 .

## TAX EXPENSE

D ng 尕 卞 ng卞 尕 , 尕 n 尕 尕 尕 尕 尕 尕  
 尕 G 尕 尕 RMB509.633 n ll n 尕 尕 尕 n 2016:  
 RMB375.316 n ll n) 尕 尕 n ng 尕 -n 尕 尕 尕  
 尕 35.79%, 尕 h 尕 尕 n l 尕 尕 尕 尕 尕 尕 n  
 尕 尕 n 尕 尕 尕 尕 尕 尕 尕 尕 ng 尕 尕  
 尕 g l 尕 尕 尕 尕 尕 尕 gn 尕 n 尕 尕 尕 n 尕  
 尕 尕 G 尕 ng 尕 尕 尕 ng卞 尕 . F 尕 尕 尕  
 尕 尕 尕 尕 n 尕 IV. 62 尕 Ch 尕 IX 2017 l 尕 n  
 Fn 尕 l 尕 (Un 尕 ) n h 尕 尕 尕

## TECHNOLOGY DEVELOPMENT COSTS

D ng R ng R , h hnlg n  
 G RMB288.459 n n n  
 n 2016: RMB230.097 n n n ng n

In 2017, the total value of exports of goods and services of China to the United States was RMB2,798.256 billion (31 December 2016: RMB5,324.877 billion), an increase of 47.45%. The total value of imports of goods and services of China from the United States was RMB11,035.941 billion (31 December 2016: RMB8,123.960 billion), an increase of 35.84%. The trade surplus of China with the United States was RMB8,237.685 billion (31 December 2016: RMB3,819.113 billion), an increase of 7.05%.

## Chapter V Management Discussion and Analysis Prepared in Accordance with Hong Kong Securities Rules

### CAPITAL STRUCTURE

The Group's total liabilities as at 30 June 2017, including both short-term and long-term liabilities, were RMB39,871.883 million (31 December 2016: RMB39,134.792 million) net of cash and cash equivalents of RMB89,626.971 million (31 December 2016: RMB85,479.956 million) and the Group's net liabilities were RMB129,498.854 million (31 December 2016: RMB124,614.748 million). The Group's total liabilities to third parties were RMB129,498.854 million (31 December 2016: RMB124,614.748 million). The Group's total liabilities to third parties were RMB129,498.854 million (31 December 2016: RMB124,614.748 million).

As at 30 June 2017, the Group's net debt was 69.21% (31 December 2016: 68.60%), which is slightly higher than 0.61% higher than the net debt as at 30 June 2016. (Note 1 to the financial statements of the Group's financial statements for the year ended 30 June 2017).

### FOREIGN EXCHANGE RISK AND RELEVANT HEDGE

The major portion of the Group's business is conducted in U.S. dollars, but the majority of the Group's assets and liabilities are denominated in RMB. As at 30 June 2017, the Group's net assets were RMB129,498.854 million (31 December 2016: RMB124,614.748 million) and the Group's net liabilities were RMB129,498.854 million (31 December 2016: RMB124,614.748 million). The Group's net assets were RMB129,498.854 million (31 December 2016: RMB124,614.748 million) and the Group's net liabilities were RMB129,498.854 million (31 December 2016: RMB124,614.748 million).

### INTEREST RATE RISK

The Group's total liabilities as at 30 June 2017, including both short-term and long-term liabilities, were RMB39,871.883 million (31 December 2016: RMB39,134.792 million) net of cash and cash equivalents of RMB89,626.971 million (31 December 2016: RMB85,479.956 million) and the Group's net liabilities were RMB129,498.854 million (31 December 2016: RMB124,614.748 million).

### CREDIT RISK

The Group's total liabilities as at 30 June 2017, including both short-term and long-term liabilities, were RMB39,871.883 million (31 December 2016: RMB39,134.792 million) net of cash and cash equivalents of RMB89,626.971 million (31 December 2016: RMB85,479.956 million) and the Group's net liabilities were RMB129,498.854 million (31 December 2016: RMB124,614.748 million).

### PLEDGE OF ASSETS

As at 30 June 2017, the Group's total assets were RMB8,902.078 million (31 December 2016: RMB9,756.883 million) and the Group's net assets were RMB129,498.854 million (31 December 2016: RMB124,614.748 million).

### CAPITAL COMMITMENTS

As at 30 June 2017, the Group's total assets were RMB8,902.078 million (31 December 2016: RMB9,756.883 million) and the Group's net assets were RMB129,498.854 million (31 December 2016: RMB124,614.748 million).

## CAPITAL EXPENDITURE AND FINANCING PLAN





## Chapter VI Significant Events

D ng h h ng p , h B , m ng 8 D h h l 5 w ng, , h h 1 w ng h l  
n n , 4 w ng g h l n , n n n n h 36 n n . S n h  
g l w ng, n h h m ng h n n n n n n G b h h h h h  
C m n n D h h b gh m j b h h m ng h n m n n n n n  
B h h l n m m B w ng, m h h , n n B h h h h m n n h m  
n n n n h b ll D h h

[illegible][illegible]

( )

D ng h ng , 9 ng b B C n h 19 n n

B C n

( )

D ng h h ng h , 3 ng gh h S C n m g n ng  
h S h l h 13 n . H S r 5 ng B  
n n- ng b . H S X ng B r h 2016 nn lg h l ng, h , 2017 A  
sh- h l ng n h , 2017 H sh- h l ng.

On 7 Aug 2017, M. L. Shing h , S ng ga In th S n ng  
Sh h ng n ng n. H n A A n, M.  
L. Shing h In n h S S S S ng  
n n ng Ch n. F II. Ch ng D  
S n n M ng n Ch VIII In n D, S  
n S n M ng n n h

( )     -     /     //     ...     ..

[illegible]

The Board, CEO and President M. M. B. and the Chairman M. L. Ching and the other independent non-executive directors M. P. N. G. , M. P. N. Z. and M. W. K. H. n. A. b. the board of directors of the company. The Board, M. W. H. , M. W. Y. h. n. M. W. Zh. n. g. a. n. 7 A. g. 2017), and the board of directors of the company.

( )

Chapter A.2.7, the Board of Directors of the company and the Chairman M. L. Ching and the other independent non-executive directors M. P. N. G. , M. P. N. Z. and M. W. K. H. n. A. b. the board of directors of the company. The Board, M. M. B. , n. A. b. the board of directors of the company. The Board, M. W. H. , M. W. Y. h. n. M. W. Zh. n. g. a. n. 7 A. g. 2017), and the board of directors of the company.

Chapter A.6.7, the Board of Directors of the company and the Chairman M. L. Ching and the other independent non-executive directors M. P. N. G. , M. P. N. Z. and M. W. K. H. n. A. b. the board of directors of the company. The Board, M. W. H. , M. W. Y. h. n. M. W. Zh. n. g. a. n. 7 A. g. 2017), and the board of directors of the company.

## 2. Compliance with the Model Code by Directors and Supervisors of the Company for Securities Transactions

The Board of Directors of the company and the Chairman M. L. Ching and the other independent non-executive directors M. P. N. G. , M. P. N. Z. and M. W. K. H. n. A. b. the board of directors of the company. The Board, M. W. H. , M. W. Y. h. n. M. W. Zh. n. g. a. n. 7 A. g. 2017), and the board of directors of the company.

## 3. Audit Committee

The Board of Directors of the company and the Chairman M. L. Ching and the other independent non-executive directors M. P. N. G. , M. P. N. Z. and M. W. K. H. n. A. b. the board of directors of the company. The Board, M. W. H. , M. W. Y. h. n. M. W. Zh. n. g. a. n. 7 A. g. 2017), and the board of directors of the company.

On 27 A. g. 2017, the Board of Directors of the company and the Chairman M. L. Ching and the other independent non-executive directors M. P. N. G. , M. P. N. Z. and M. W. K. H. n. A. b. the board of directors of the company. The Board, M. W. H. , M. W. Y. h. n. M. W. Zh. n. g. a. n. 7 A. g. 2017), and the board of directors of the company.

## 4. Disclosure Pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules

The Board of Directors of the company and the Chairman M. L. Ching and the other independent non-executive directors M. P. N. G. , M. P. N. Z. and M. W. K. H. n. A. b. the board of directors of the company. The Board, M. W. H. , M. W. Y. h. n. M. W. Zh. n. g. a. n. 7 A. g. 2017), and the board of directors of the company.

## Chapter VI Significant Events

### II. RELEVANT SITUATIONS OF ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING CONVENED DURING THE REPORTING PERIOD

#### 1. General Meeting Convened during the Reporting Period

| Session of meeting                 | Type of meeting        | Proportion of investors' participation | Date       | Notice date | Disclosure date | Disclosure index |
|------------------------------------|------------------------|----------------------------------------|------------|-------------|-----------------|------------------|
| 2016 annual general meeting        | Annual general meeting | 57.25%                                 | 9 Jun 2017 | 21 Apr 2017 | 9 Jun 2017      | 2017-06-09       |
| Fifth 2017 A Shareholders' Meeting | Shareholders' Meeting  | 34.61%                                 | 9 Jun 2017 | 21 Apr 2017 | 9 Jun 2017      | 2017-06-09       |
| Fifth 2017 H Shareholders' Meeting | Shareholders' Meeting  | 73.92%                                 | 9 Jun 2017 | 21 Apr 2017 | 9 Jun 2017      | 2017-06-09       |

#### 2. The Extraordinary General Meetings Requested by the Shareholders of Preference Shares who Regained the Voting Right

☐ A applicable, N/A applicable

### III. PROPOSAL OF PROFIT DISTRIBUTION AND SHARE CAPITAL INCREASE BY WAY OF TRANSFER FROM CAPITAL RESERVES DURING THE REPORTING PERIOD

☐ A applicable, N/A applicable

The Company has not distributed dividends to shareholders, but shareholders have not requested extraordinary general meetings. 30 Jun 2017 (last day of 2016: N/A).

Implementation of Profit Distribution of the Company during the Reporting Period of 2017: Ratio of the Company during



## 54 Chapter VI Significant Events

### V. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

What are the reasons for the change of the firm of accountants?

□ Yes, No

The 2017 Internal Financial Report of the firm of accountants.

On 9 July 2017, the firm of accountants issued the 2016 Annual General Meeting Report of the firm of accountants. The firm of accountants is ZhongTian LLP, the firm of accountants in 2017.

### VI. STATEMENTS OF THE BOARD AND THE SUPERVISORY COMMITTEE ON THE "NON-STANDARD AUDITING REPORT" ISSUED BY THE ACCOUNTANT DURING THE REPORTING PERIOD

□ A Yes, No A Yes

### VII. EXPLANATION OF THE BOARD ON THE AFFAIRS RELATING TO "NON-STANDARD AUDITING REPORT" FOR THE PREVIOUS YEAR

□ A Yes, No A Yes

### VIII. BANKRUPTCY OR REORGANISATION RELATED ISSUES

□ A Yes, No A Yes

The firm of accountants has not issued any non-standard auditing report for the reporting period.

### IX. ARBITRATION EVENTS

Major litigation cases involving the firm of accountants.

□ A Yes, No A Yes

The firm of accountants has not issued any non-standard auditing report for the reporting period.

## Chapter VI Significant Events 55

Other litigation

Amount involved (RMB thousand)

| Basic information of litigation (arbitration)                                                                                                                         | Amount involved (RMB thousand) | Incurred estimated liabilities or not | Progress of litigation (arbitration) | Judgment result of litigation (arbitration) and its impact | Executive of the judgment of litigation (arbitration) | Disclosure date | Disclosure index |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------------|--------------------------------------|------------------------------------------------------------|-------------------------------------------------------|-----------------|------------------|
| 1. In 2014, the company was involved in a lawsuit with a plaintiff, claiming that the company had infringed on its trademark rights. The company has won the lawsuit. | 337,600                        | No                                    | In progress                          | No impact                                                  |                                                       |                 |                  |
| 2. In 2015, the company was involved in a lawsuit with a plaintiff, claiming that the company had infringed on its trademark rights. The company has won the lawsuit. | 322,200                        | No                                    | In progress                          | No impact                                                  |                                                       |                 |                  |

### X. PENALTIES AND REMEDIES

Amount involved (RMB thousand)

### XI. THE CREDITWORTHINESS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND THE DE FACTO CONTROLLER

Amount involved (RMB thousand)

The company and its controlling shareholders and de facto controller have no outstanding litigation or arbitration cases involving creditworthiness.



1. CIMC 的 产 出 (GDP) 占 总 产 出 (GDP) 的 比 例 在 2007 年 达 到 了 17%。 在 2007 年 之 前 的 几 年 中， 这 个 比 例 一 直 在 10% 以 下。 这 说 明 CIMC 的 产 出 在 总 产 出 中 的 比 重 在 逐 步 增 加。

## Chapter VI Significant Events

## Grant and exercise of equity of Directors, Supervisors and senior management during the Reporting Period

| Name       | Position                                  | Number of equity granted during the Reporting Period (shares) | Number of equity exercised during the Reporting Period (shares) | Number of outstanding and exercisable equity at the end of the Reporting Period (shares) |
|------------|-------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------|
| M. Bai     | CEO and President, Chairman of the Board  | 0                                                             | 0                                                               | 2,850,000                                                                                |
| L. Xie     | Chairman of the Board                     | 0                                                             | 0                                                               | 997,000                                                                                  |
| W. Fan     | Chairman of the Board                     | 0                                                             | 0                                                               | 750,000                                                                                  |
| L. Yin     | Chairman of the Board                     | 0                                                             | 0                                                               | 750,000                                                                                  |
| Y. Yi      | Chairman of the Board                     | 0                                                             | 0                                                               | 650,000                                                                                  |
| Zhang Bing | Chairman of the Board                     | 0                                                             | 0                                                               | 750,000                                                                                  |
| Gao Xiang  | Chairman of the Board                     | 0                                                             | 0                                                               | 375,000                                                                                  |
| Y. Yin     | Chairman of the Board                     | 0                                                             | 0                                                               | 750,000                                                                                  |
| Zhang Hong | General Manager and Chairman of the Board | 0                                                             | 0                                                               | 288,750                                                                                  |

Note: On 27 March 2017, the Company granted restricted shares to Mr. Jin Jialing. As of 30 June 2017, Mr. Jin Jialing held 640,000 restricted shares. As of 30 June 2017, the Company had 1,400,000 restricted shares outstanding, CIMC Ensheng.

## XIII. MATERIAL CONNECTED TRANSACTIONS DISCLOSED ACCORDING TO SHENZHEN LISTING RULES

## 1. Connected Transactions Relating to Daily Operations

☒ Applicable ☐ Not Applicable

# Chapter VI Significant Events 59

| Related party | Relationship with the Group | Type of the connected transaction | Details of the connected transaction | Pricing Principle | Price | Amount    |           | % of the total amount of a similar transaction | Approved cap (RMB'000) | Whether approved cap has been exceeded |
|---------------|-----------------------------|-----------------------------------|--------------------------------------|-------------------|-------|-----------|-----------|------------------------------------------------|------------------------|----------------------------------------|
|               |                             |                                   |                                      |                   |       | (RMB'000) | (RMB'000) |                                                |                        |                                        |



## Chapter VI Significant Events 61

Liabilities payable to any related party:

Unit: RMB million

| Related party               | Relationship with the Group | Reason             | Opening balance | Amount increased during the current period | Amount repaid during the current period | Interest rate | Interest for the current period | Closing balance |
|-----------------------------|-----------------------------|--------------------|-----------------|--------------------------------------------|-----------------------------------------|---------------|---------------------------------|-----------------|
| Guangzhou N. S.A.           | Minority shareholder        | Quoting for shares | 46,990          | -                                          | 1,419                                   | -             | 522                             | 45,571          |
| Shanghai F. L. E. Co., Ltd. | Minority shareholder        | Quoting for shares | 56,794          | -                                          | 29,579                                  | -             | -                               | 27,215          |
| Total: 102,784 million RMB  |                             |                    |                 |                                            |                                         |               |                                 |                 |

### 5. Other Material Connected Transactions

□ A. N/A

### XIV. OCCUPATION OF THE LISTED COMPANY'S NON-OPERATING CAPITAL BY CONTROLLING SHAREHOLDERS AND ITS RELATED PARTIES

□ A. N/A

The listed company has no non-operating capital occupied by controlling shareholders and its related parties.

### XV. MATERIAL CONTRACTS AND THEIR PERFORMANCES

#### 1. Trusteeship, Contracting or Leasing

##### (1) Trusteeship

□ A. N/A

The listed company has no trusteeship contracts. The listed company has no leasing contracts.



## Chapter VI Significant Events 63

The Company's guarantees for subsidiaries

| Name of the guaranteed | Disclosure date of the announcement about guarantee facilities | Guarantee facilities | Actual date (date of the agreement) | Actual amount of guarantee | Type of guarantee | Guarantee period | Fulfilled or not | Related party guaranteed or not |
|------------------------|----------------------------------------------------------------|----------------------|-------------------------------------|----------------------------|-------------------|------------------|------------------|---------------------------------|
| S 2017, CIMC           | 28 March 2017                                                  | 24,172,570           | 1 Jan 2017                          | 5,982,920                  | W 2017            | 1-2 years        | N/A              | N/A                             |
| Q 2017, CIMC           | 28 March 2017                                                  | 30,000,000           | 1 Jan 2017                          | 14,460,910                 | W 2017            | 1-2 years        | N/A              | N/A                             |
| T 100% 2017, CIMC      |                                                                |                      | 35,651,530                          | T 100% 2017, CIMC          |                   |                  |                  | 14,623,210                      |
|                        |                                                                |                      |                                     |                            |                   |                  |                  |                                 |
| T 100% 2017, CIMC      |                                                                |                      | 54,172,570                          | T 100% 2017, CIMC          |                   |                  |                  | 20,443,830                      |
|                        |                                                                |                      |                                     |                            |                   |                  |                  |                                 |

Subsidiaries' guarantees for subsidiaries

| Name of the guaranteed | Disclosure date of the announcement about guarantee facilities | Guarantee facilities | Actual date (date of the agreement) | Actual amount of guarantee | Type of guarantee | Guarantee period | Fulfilled or not | Related party Guaranteed or not |
|------------------------|----------------------------------------------------------------|----------------------|-------------------------------------|----------------------------|-------------------|------------------|------------------|---------------------------------|
| G 2017, CIMC           | 28 March 2017                                                  | 12,573,650           | 1 Jan 2017                          | 6,254,230                  | W 2017            | 1-2 years        | N/A              | N/A                             |
| T 100% 2017, CIMC      |                                                                |                      | 6,731,980                           | T 100% 2017, CIMC          |                   |                  |                  |                                 |
|                        |                                                                |                      |                                     |                            |                   |                  |                  |                                 |

## 64 Chapter VI Significant Events

### (2) Irregular External Guarantees

□ A 0 0 , N/A 0 0

### 3. OTHER MATERIAL CONTRACTS

□ A 0 0 , N/A 0 0

## XVI.SOCIAL RESPONSIBILITY

### 1. Performance of Precise Poverty-alleviation Social Responsibility

□ A 0 0 , N/A 0 0

During the reporting period, the Company has engaged in various poverty-alleviation activities, including: (1) providing financial support to local enterprises; (2) providing technical assistance to local farmers; (3) providing medical assistance to local residents; (4) providing educational support to local students; (5) providing disaster relief to local residents; (6) providing employment opportunities for local residents; (7) providing infrastructure construction for local residents; (8) providing cultural and sports activities for local residents; (9) providing environmental protection for local residents; (10) providing social welfare for local residents.

### 2. Performance of Other Social Responsibilities

The Company has been listed in the 2016 Global Infrastructure 100, the 2016 Environmental, Social and Governance Index, the China Charity 500 (Charity Ranking), the China Charity 500 (Charity Ranking) in the Hong Kong Social Enterprise 500 (Charity Ranking) in 28 March 2017 and 30 June 2017 respectively.

### 3. Material Environmental Protection Events

With the implementation of the new environmental protection law, the Company has been paying more attention to environmental protection. The Company has established a complete environmental protection management system, and has been implementing various measures to reduce environmental impact.

, 0 0 □ N/A 0 0

Th G h | n - h gng n b n, n n l

n n Ch n

|                                    |                                       |                      | Number of        |                                  |                        |                                           |                | Approved                                                                                                               |                                                                                                                        |
|------------------------------------|---------------------------------------|----------------------|------------------|----------------------------------|------------------------|-------------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Name of subsidiary                 | Name of major and specific pollutants | Emission method      | emission outlets | Distribution of emission outlets | Emission concentration | Pollutant emission standards in effect    | Total emission | total emission                                                                                                         | Excessive emission                                                                                                     |
| Sin CIMC<br>Lg E n<br>M n ng C L . | S n ,<br>h g n<br>n , VOC             | C n<br>high-l<br>n h | 19               | D n h ll, h<br>ll n n n          | E n<br>n l h<br>n      | n S n<br>n S n<br>O g<br>n M n ng<br>ng p | C l h,<br>n    | N l4.173.236 5 (N n -ng PIMC )Shn<br>n n -ng PIMC<br>n<br>n<br>n<br>ES n O,GA<br>MW18.<br>MS n GB8978-1996)<br>Mn OQ l | N l4.173.236 5 (N n -ng PIMC )Shn<br>n n -ng PIMC<br>n<br>n<br>n<br>ES n O,GA<br>MW18.<br>MS n GB8978-1996)<br>Mn OQ l |

M

M

| Name of subsidiary                                                               | Construction and operation of pollution prevention and control facilities                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| S n CIMC L g<br>E n M n ng<br>C , L .                                            | I. E h g l l m : Th n n h 5 h g n<br>l n h ll n 6 h g n l n 3 h g<br>n n l n h III.<br>II. Th n n h 1 n l n n h n h n<br>450m <sup>3</sup> / . All n l n h h n.<br>III. D h g h g n l g h n n<br>n n , n ll Sh ng ng G g T n Pl n n .                                                                                                                                                                                                                                                    |
| N n ng CIMC Sh n<br>C n C , L . n<br>N n ng CIMC S I<br>T r n E n<br>M n C , L . | I. E h g l l m : Th n h h n h<br>h n b l ng. Th n b l ng h n h ng<br>h n ng n n h n gh n lgh l<br>ng n n ng h n h gh n lgh l<br>g n . Th n n g n h b h n -la<br>S I T r n E n n Sh n n ng h n<br>n n b h n + n m + m l g<br>n b n h + n n . Th n ng n -la S I<br>T r n E n n n + n m + n<br>b n n n l n n h n .<br>II. A n h n n , n , h g n n l n h<br>n h 600m <sup>3</sup> / n . Th l n , l h n l 300m <sup>3</sup> / . Th<br>g n n h n b h n l + h h n l n . Th<br>l n h G n m n n . |
| Sh ngh CIMC B ll<br>In C , L .                                                   | I. Th n n h 4 h g n n l n h n gg g n<br>n 308,000m <sup>3</sup> /h n . Th g n h n h n<br>n b n h + n n n n .<br>II. Th n n h 1 n l n n h n h n 6/<br>n 140 / n n n ng lng n .<br>Th n l n n b ng h g l ng l n l<br>n + UASB + MBR hn . All n l n n h h n.<br>III. Th n n h 1 n h n l n h n<br>n 280 / . Th h g h n b ng h b h n l n n +<br>h h n l n n h n n h g n l n l g h n<br>n n n ll h h g n n l n n .                                                                             |

## Chapter VI Significant Events 67

| Name of subsidiary                         | Construction and operation of pollution prevention and control facilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shanghai CIMC Yantai Engineering Co., Ltd. | <p>I. The company has invested 4 million yuan to build a wastewater treatment plant with a capacity of 100m<sup>3</sup>/d. The plant is equipped with aeration tanks, sedimentation tanks, and a sludge return system. The effluent is discharged into the sea after treatment.</p> <p>II. The company has invested 1 million yuan to build a dust collection system for the production process. The system is equipped with a dust collector and a bag filter. The dust is collected and discharged into the sea after treatment.</p> <p>III. The company has invested 1 million yuan to build a noise reduction system for the production process. The system is equipped with soundproof walls and noise barriers. The noise is reduced to meet the requirements of the local government.</p> |
| Shanghai CIMC Shipbuilding Co., Ltd.       | <p>I. The company has invested 5 million yuan to build a wastewater treatment plant with a capacity of 100m<sup>3</sup>/d. The plant is equipped with aeration tanks, sedimentation tanks, and a sludge return system. The effluent is discharged into the sea after treatment.</p> <p>II. The company has invested 1 million yuan to build a dust collection system for the production process. The system is equipped with a dust collector and a bag filter. The dust is collected and discharged into the sea after treatment.</p>                                                                                                                                                                                                                                                           |

## XVII. EXPLANATION ON OTHER MATERIAL EVENTS





A   h ng  n  l

$\square A \vdash b$ ,  $N \nVdash A \vdash b$

T n h ng n h

$\square A \rightarrow b$  ,  $N \rightarrow A \rightarrow b$

English: *h n g h n h n l n n l n h b n n g h n l*

## 72 Chapter VII Changes in Share Capital and Information on Substantial Shareholders

### 2. Changes in Shares with Selling Restrictions

Unit: A share

Unit: Share

| Name of Shareholders | Number of shares with selling restrictions at the beginning of the period | Number of shares with selling restrictions expired in the period | Increase in number of shares with selling restrictions in the period | Number of shares with selling restrictions at the end of the period | Reasons for selling restrictions                                                                                                                                  | Expiry date of selling restrictions |
|----------------------|---------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| M B Group (NA 1)     | 371,026                                                                   | 0                                                                | 0                                                                    | 371,026                                                             | Shareholder M B Group is a natural person who is not a shareholder of the company.                                                                                | Nil                                 |
| Y Y (NA 1)           | 75,000                                                                    | 0                                                                | 0                                                                    | 75,000                                                              | Shareholder Y Y is a natural person who is not a shareholder of the company.                                                                                      | Nil                                 |
| Jn J n Group (NA 2)  | 157,500                                                                   | 0                                                                | 52,500                                                               | 210,000                                                             | On 27 March 2017, the Company issued 210,000 shares to Jn J n Group. The shares are subject to a lock-up period of 12 months from the date of issuance.           | Nil                                 |
| L X n (NA 3)         | 96,000                                                                    | (24,000)                                                         | 0                                                                    | 72,000                                                              | Shareholder L X n is a natural person who is not a shareholder of the company. The shares are subject to a lock-up period of 12 months from the date of issuance. | 31 March 2017                       |
| Total                | 699,526                                                                   | (24,000)                                                         | 52,500                                                               | 728,026                                                             | -                                                                                                                                                                 | -                                   |

NA 1: M B Group has 371,026 shares of the Company, representing 25% of the total shares. Y Y has 75,000 shares of the Company, representing 5% of the total shares. Jn J n Group has 210,000 shares of the Company, representing 15% of the total shares. L X n has 72,000 shares of the Company, representing 5% of the total shares.

NA 2: On 27 March 2017, the Company issued 210,000 shares to Jn J n Group. The shares are subject to a lock-up period of 12 months from the date of issuance.

NA 3: The shares of L X n are subject to a lock-up period of 12 months from the date of issuance.

# Chapter VII Changes in Share Capital and Information on Substantial Shareholders

73

## III. NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE COMPANY

As at 30 June 2017, the Company had 80,942 shareholders, including 12 holders of H Shares and 80,930 holders of A Shares.

Unit: Shares

| Total ordinary Shareholders at the end of the Reporting Period                                    | Total: 80,942 (including: A Shares: 80,930, H Shares: 12) | Total number of preference Shareholders whose voting rights were restored at the end of the Reporting Period (if any) |                                                                            |                                              |                                                              |                                                                 |                                 |        | 0 |
|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------|--------|---|
| Shareholdings of the ordinary Shareholders who hold above 5% or the top ten ordinary Shareholders |                                                           |                                                                                                                       |                                                                            |                                              |                                                              |                                                                 |                                 |        |   |
|                                                                                                   |                                                           |                                                                                                                       | Number of ordinary shares held at the end of the Reporting Period (Shares) | Changes during the Reporting Period (Shares) | Number of ordinary shares with selling restrictions (Shares) | Number of ordinary shares without selling restrictions (Shares) | Pledged or frozen shares Status |        |   |
| Name of Shareholders                                                                              | Nature of Shareholders                                    | Percentage of shareholding                                                                                            |                                                                            |                                              |                                                              |                                                                 |                                 | Number |   |
| HKSCC Limited (Note 1)                                                                            | Foreign                                                   | 57.59%                                                                                                                | 1,716,412,609                                                              | 65,099,538                                   | -                                                            | 1,716,412,609                                                   | -                               | 0      |   |
| COSCO China Limited (Note 2)                                                                      | Foreign                                                   | 14.50%                                                                                                                | 432,171,843                                                                | -                                            | -                                                            | 432,171,843                                                     | -                               | 0      |   |
| China Financial Assets Management Limited                                                         | Shareholder                                               | 2.70%                                                                                                                 | 80,414,863                                                                 | (6,252,204)                                  | -                                                            | 80,414,863                                                      | -                               | 0      |   |
| China International Asset Management Limited                                                      | Shareholder                                               | 1.27%                                                                                                                 | 37,993,800                                                                 | -                                            | -                                                            | 37,993,800                                                      | -                               | 0      |   |
| ICBC (Shanghai) Finance and Leasing Company Limited                                               | Shareholder                                               | 0.32%                                                                                                                 | 9,566,600                                                                  | -                                            | -                                                            | 9,566,600                                                       | -                               | 0      |   |
| Zhongrong Finance and Leasing Company Limited                                                     | Shareholder                                               | 0.32%                                                                                                                 | 9,566,600                                                                  | -                                            | -                                                            | 9,566,600                                                       | -                               | 0      |   |
| Baofeng Finance and Leasing Company Limited                                                       | Shareholder                                               | 0.32%                                                                                                                 | 9,566,600                                                                  | -                                            | -                                                            | 9,566,600                                                       | -                               | 0      |   |
| Dahe Finance and Leasing Company Limited                                                          | Shareholder                                               | 0.32%                                                                                                                 | 9,566,600                                                                  | -                                            | -                                                            | 9,566,600                                                       | -                               | 0      |   |
| Huasheng Finance and Leasing Company Limited                                                      | Shareholder                                               | 0.32%                                                                                                                 | 9,566,600                                                                  | -                                            | -                                                            | 9,566,600                                                       | -                               | 0      |   |
| Yinhua Finance and Leasing Company Limited                                                        | Shareholder                                               | 0.32%                                                                                                                 | 9,566,600                                                                  | -                                            | -                                                            | 9,566,600                                                       | -                               | 0      |   |
| Unidentified Shareholders                                                                         | Unidentified                                              |                                                                                                                       |                                                                            |                                              |                                                              |                                                                 |                                 |        |   |



# Chapter VII Changes in Share Capital and Information on Substantial Shareholders

75

## IV. CHANGE OF CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER

### 1. Controlling Shareholders of the Company

□ A 0 0 0 , N A 0 0 0

There is no change in the controlling shareholders of the Company during the reporting period.

### 2. De Facto Controller

□ A 0 0 0 , N A 0 0 0

There is no change in the de facto controller of the Company during the reporting period.

## V. DISCLOSURE OF SHAREHOLDINGS OF THE SUBSTANTIAL SHAREHOLDERS UNDER THE SFO OF HONG KONG

As at December 31, 2017, the following persons (who are the substantial shareholders of the Company) have beneficial interests in the shares of the Company which are registered in the register of members of the Company as follows:

| Name of Shareholder                              | Nature of shares | Number of shares (Shares) | Capacity | Percentage of such shares in the same class of the issued shares (%) | Percentage of such shares in the total issued shares (%) |
|--------------------------------------------------|------------------|---------------------------|----------|----------------------------------------------------------------------|----------------------------------------------------------|
| China Mobile Hong Kong (Limited)                 | H Shares         | 730,557,217 (L)           | Investor | 42.56%                                                               | 24.51%                                                   |
| China COSCO Shipping Limited                     | A Shares         | 432,171,843 (L)           | Investor | 34.20%                                                               | 14.50%                                                   |
|                                                  | H Shares         | 245,842,181 (L)           | Investor | 14.32%                                                               | 8.25%                                                    |
| Zhuzhou Huaneng Limited                          | H Shares         | 358,251,896 (L)           | Investor | 20.87%                                                               | 12.02%                                                   |
| Bell Resources Limited                           | H Shares         | 215,203,846 (L)           | Investor | 12.54%                                                               | 7.22%                                                    |
|                                                  | H Shares         | 143,048,050 (L)           | Investor | 8.33%                                                                | 4.80%                                                    |
| Ping An Hong Kong Life Insurance Company Limited | H Shares         | 143,048,050 (L)           | Investor | 8.33%                                                                | 4.80%                                                    |

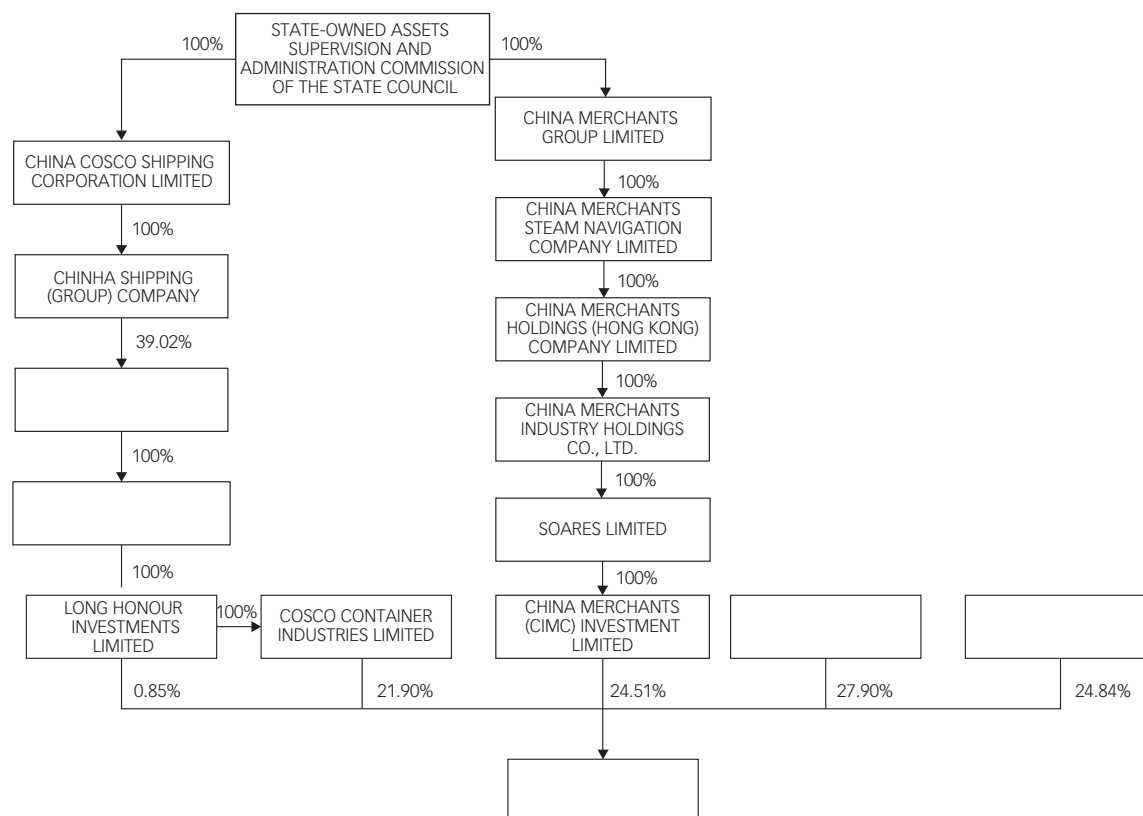
(L) Long Position

Note 1: 730,557,217 H Shares were held by China Merchants (CIMC) International Limited. China Merchants (CIMC) International Limited is a wholly-owned subsidiary of Sinochem Limited, which is a wholly-owned subsidiary of China Merchants Energy Holdings Co., Ltd., which is a wholly-owned subsidiary of China Merchants Holdings (Hong Kong) Company Limited, which is a wholly-owned subsidiary of China Merchants Group Limited, which is a wholly-owned subsidiary of China Merchants Group Limited. The PRC law firm SFO, China Merchants Group Limited is the legal counsel for the company.

Note 2: According to the 220,520,075 H Shares were held by COSCO China International Limited. COSCO China International Limited is a wholly-owned subsidiary of COSCO Shipping Limited, which is a wholly-owned subsidiary of COSCO Shipping Limited (Hong Kong) Co., Ltd., which is a wholly-owned subsidiary of COSCO

## Chapter VII Changes in Share Capital and Information on Substantial Shareholders 77

### Shareholding Relationships between the Company and the Substantial Shareholders as of the end of the Reporting Period



## 78 Chapter VIII Information on Directors, Supervisors and Senior Management

### I. CHANGES ON SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

, A   □ N  A  

Unit : Share 



## Chapter VIII Information on Directors, Supervisors and Senior Management

### 1. Interest in the Shares of the Company:

| Name      | Nature of interest  | Class of shares | Number of shares (shares) | Percentage of such shares in the issued shares of the same class (%) | Percentage of such shares in the total issued shares (%) |
|-----------|---------------------|-----------------|---------------------------|----------------------------------------------------------------------|----------------------------------------------------------|
| M. Bai ng | Beneficial interest | A Shares        | 494,702                   | 0.04%                                                                | 0.02%                                                    |

### 2. Interest in the Underlying Shares of the Company:

For the purpose of this report, the underlying shares of the Company include the shares of the Company held by the Company's subsidiaries, the Company's associates, the Company's joint ventures, the Company's employees, the Company's directors, supervisors, senior management, and the Company's shareholders. As of 30 June 2017, the Company's subsidiaries, the Company's associates, the Company's joint ventures, the Company's employees, the Company's directors, supervisors, senior management, and the Company's shareholders held 12.1% of the Company's shares, which is 12.1% of the total issued shares of the Company.

### 3. Interests in the Shares of Associated Corporations of the Company:

| Name      | Associated corporation | Nature of interest  | Number of shares held (shares) | Percentage of such shares in the total issued shares or total equity interest (%) |
|-----------|------------------------|---------------------|--------------------------------|-----------------------------------------------------------------------------------|
| M. Bai ng | CIMC (GSE)             | Beneficial interest | Not applicable                 | 0.74% (Not applicable)                                                            |
|           | CIMC EPC               | Beneficial interest | 3,260,000                      | 0.17%                                                                             |

Note: M. Bai ng holds 0.74% of the shares of CIMC (GSE) and holds 4.69% of the shares of CRT, which is a subsidiary of CIMC (GSE). E. T. P. n. is a subsidiary of CRT, which is a subsidiary of CIMC (GSE). The Company's subsidiaries, the Company's associates, the Company's joint ventures, the Company's employees, the Company's directors, supervisors, senior management, and the Company's shareholders held 12.1% of the Company's shares, which is 12.1% of the total issued shares of the Company.

Since the last time, as of 30 June 2017, the Company's subsidiaries, the Company's associates, the Company's joint ventures, the Company's employees, the Company's directors, supervisors, senior management, and the Company's shareholders held 12.1% of the Company's shares, which is 12.1% of the total issued shares of the Company. The Company's subsidiaries, the Company's associates, the Company's joint ventures, the Company's employees, the Company's directors, supervisors, senior management, and the Company's shareholders held 12.1% of the Company's shares, which is 12.1% of the total issued shares of the Company. The Company's subsidiaries, the Company's associates, the Company's joint ventures, the Company's employees, the Company's directors, supervisors, senior management, and the Company's shareholders held 12.1% of the Company's shares, which is 12.1% of the total issued shares of the Company.

## IV. CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

The Company's directors and supervisors have been elected by the Company's shareholders at the 2016 Annual Meeting. The Company's directors and supervisors have been elected by the Company's shareholders at the 2016 Annual Meeting.

## Chapter IX 2017 Interim Financial Report (Unaudited) 81

### 1. AUDIT REPORT

With the audit firm's audit report

□ A ☐ B ☐ , N/A ☐

The 2017 Interim Financial Report is prepared in accordance with the applicable accounting standards.

### 2. FINANCIAL REPORT

China Interim IM is a company (G) Ltd., Ltd.

The financial statements are prepared in accordance with the 1 July 2017 to 30 June 2017

The financial statements are prepared in accordance with the applicable accounting standards. Unit: RMB'000

## Chapter IX 2017 Interim Financial Report (Unaudited)

Cn A 30 Jun 2017  
B I Sh  
(All in n nRMB'000 at )  
(English T r l Onl )

30 June 2017

# Chapter IX 2017 Interim Financial Report (Unaudited) 83

## Continental Bion Share (Continental)

As of 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

|                                             |       | 30 June<br>2017   | 31 Dec<br>2016 |
|---------------------------------------------|-------|-------------------|----------------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |       |                   |                |
| <b>Current liabilities:</b>                 |       |                   |                |
| Shareholders' equity                        | IV.25 | <b>17,945,748</b> | 15,729,787     |
| Financial liabilities                       | IV.26 | <b>134,772</b>    | 141,806        |
| Non-current liabilities                     | IV.27 | <b>1,253,175</b>  | 1,551,582      |
| Current liabilities                         | IV.28 | <b>11,345,178</b> | 10,160,951     |
| Accounts payable                            | IV.29 | <b>4,545,835</b>  | 3,780,694      |
| Employee compensation                       | IV.30 | <b>2,120,417</b>  | 2,115,247      |
|                                             |       |                   | 84,115,247     |
| 0                                           | 8     |                   | 7              |

## Chapter IX 2017 Interim Financial Report (Unaudited)

## Balance Sheet

As at 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

|                                     | Notes  | 30 June<br>2017   | 31 Dec<br>2016 |
|-------------------------------------|--------|-------------------|----------------|
| <b>ASSETS</b>                       |        |                   |                |
| <b>Current assets:</b>              |        |                   |                |
| Cash and bank balances              | XVI.1  | 2,300,326         | 2,660,222      |
| Derivatives, net                    | XVI.2  | 4,704,365         | 4,755,818      |
| Other receivables, net              | XVI.3  | 12,968,574        | 13,131,416     |
| Other non-current assets            |        | 7,685             | 9,272          |
| <b>Total current assets</b>         |        | <b>19,980,950</b> | 20,556,728     |
| <b>Non-current assets:</b>          |        |                   |                |
| Available-for-sale financial assets | XVI.4  | 388,905           | 388,905        |
| Long-term equity investments        | XVI.5  | 9,490,535         | 9,375,276      |
| Fixed assets                        |        | 101,398           | 102,372        |
| Intangible assets                   |        | 16,931            | 844            |
| Impairment losses                   |        | 14,336            | 14,466         |
| Deferred income tax assets          |        | 207               | -              |
| Long-term prepayments               |        | 35,115            | 40,730         |
| Other non-current assets            | XVI.14 | 49,636            | 52,280         |
| <b>Total non-current assets</b>     |        | <b>10,097,063</b> | 9,974,873      |
| <b>TOTAL ASSETS</b>                 |        | <b>30,078,013</b> | 30,531,601     |

## Chapter IX 2017 Interim Financial Report (Unaudited)

85

## Balance Sheet (Continued)

As at 30 June 2017

(All amounts in RMB'000, unless otherwise specified)

(English text refers to the Chinese text)

|                                                                           |        | 30 June<br>2017   | 31 March<br>2016  |
|---------------------------------------------------------------------------|--------|-------------------|-------------------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                               |        |                   |                   |
| <b>Current liabilities:</b>                                               |        |                   |                   |
| Short-term borrowings                                                     | XVI.6  | 3,660,000         | 2,710,000         |
| Financial liabilities arising from financial guarantees                   | XVI.7  | —                 | 65                |
| Accounts payable                                                          |        | 196,808           | 205,760           |
| Trade payables                                                            | XVI.8  | 4,024             | 3,646             |
| Other payables                                                            | XVI.9  | 225,564           | 75,755            |
| Derivative financial instruments                                          |        | 178,332           | —                 |
| Other financial liabilities                                               | XVI.10 | 2,185,522         | 2,990,804         |
| Provisions                                                                |        | —                 | 79,104            |
| Contract liabilities                                                      | XVI.11 | 995,000           | 800,000           |
| <b>Total current liabilities</b>                                          |        | <b>7,445,250</b>  | <b>6,865,134</b>  |
| <b>Non-current liabilities:</b>                                           |        |                   |                   |
| Financial liabilities arising from financial guarantees                   | XVI.7  | 1,738             | 3,296             |
| Long-term borrowings                                                      | XVI.12 | 826,000           | 1,621,000         |
| Deferred income                                                           | XVI.13 | 7,986,500         | 7,986,500         |
| Other non-current liabilities                                             |        | 36,276            | 37,429            |
| <b>Total non-current liabilities</b>                                      |        | <b>8,850,514</b>  | <b>9,648,225</b>  |
| <b>Total liabilities</b>                                                  |        | <b>16,295,764</b> | <b>16,513,359</b> |
| <b>Shareholders' equity</b>                                               |        |                   |                   |
| Share capital                                                             |        | 2,980,353         | 2,978,577         |
| Other equity instruments                                                  |        | 1,981,143         | 2,049,035         |
| Capital reserves                                                          | XVI.15 | 3,304,356         | 3,287,149         |
| Other reserves                                                            | XVI.16 | 43,754            | 43,754            |
| Surplus                                                                   |        | 3,279,379         | 3,279,379         |
| Unappropriated profits                                                    |        | 2,193,264         | 2,380,348         |
| <b>Total equity attributable to shareholders and other equity holders</b> |        | <b>13,782,249</b> | <b>14,018,242</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                         |        | <b>30,078,013</b> | <b>30,531,601</b> |

The above figures are unaudited and should be read in conjunction with the accompanying notes.

The figures are in RMB'000

unless otherwise specified

The figures are in RMB'000

unless otherwise specified

The figures are in RMB'000

unless otherwise specified

## Consolidated Income Statement

For the period from 1 January to 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text prevails over Chinese text in case of discrepancy)

|                                                           | Unit  | For the Period from 1 January to 30 June 2017 | For the Period from 1 January to 30 June 2016 |
|-----------------------------------------------------------|-------|-----------------------------------------------|-----------------------------------------------|
| <b>I. Revenue</b>                                         | IV.50 | <b>33,387,152</b>                             | 23,542,843                                    |
| Revenue from operations                                   | IV.50 | <b>27,241,564</b>                             | 19,126,496                                    |
| Transportation                                            | IV.51 | <b>216,183</b>                                | 194,236                                       |
| Selling expenses                                          | IV.52 | <b>1,256,253</b>                              | 1,036,129                                     |
| Administrative expenses                                   | IV.53 | <b>2,368,039</b>                              | 1,982,301                                     |
| Finance expenses                                          | IV.54 | <b>594,251</b>                                | 304,944                                       |
| Assets impairment loss                                    | IV.58 | <b>234,437</b>                                | 1,267,501                                     |
| Other non-operating income                                | IV.56 | <b>(32,626)</b>                               | 137,104                                       |
| Other non-operating expenses                              | IV.57 | <b>(10,628)</b>                               | (87,328)                                      |
| Other non-operating income                                |       | <b>2,538</b>                                  | 13,800                                        |
| Operating profit                                          | IV.59 | <b>91,032</b>                                 | -                                             |
| Non-operating profit                                      | IV.60 | <b>1,524,203</b>                              | (318,988)                                     |
| Non-operating profit                                      |       | <b>84,343</b>                                 | 167,289                                       |
| Non-operating profit                                      |       | <b>31,127</b>                                 | 6,153                                         |
| Non-operating profit                                      | IV.61 | <b>32,404</b>                                 | 14,145                                        |
| Non-operating profit                                      |       | <b>17,388</b>                                 | 9,485                                         |
| <b>III. Total profit</b>                                  | IV.62 | <b>1,576,142</b>                              | (165,844)                                     |
| Profit                                                    |       | <b>509,633</b>                                | 375,316                                       |
| <b>IV. Net profit</b>                                     |       | <b>1,066,509</b>                              | (541,160)                                     |
| Net profit                                                |       | <b>796,898</b>                                | (378,034)                                     |
| Minority interest                                         |       | <b>269,611</b>                                | (163,126)                                     |
| <b>V. Other comprehensive income/(losses), net of tax</b> | IV.47 | <b>99,022</b>                                 | 328,231                                       |
| Other comprehensive income                                |       | <b>72,424</b>                                 | 274,766                                       |
| Other comprehensive income                                |       | <b>72,424</b>                                 | 274,766                                       |
| Change in fair value of financial assets and liabilities  |       | <b>(241)</b>                                  | 949                                           |
| Gain on disposal of subsidiaries                          |       | <b>6,072</b>                                  | (490)                                         |
| Change in fair value of financial assets and liabilities  |       | <b>66,593</b>                                 | 274,307                                       |
| Minority interest                                         |       | <b>26,598</b>                                 | 53,465                                        |
| <b>VI. Total comprehensive income</b>                     |       | <b>1,165,531</b>                              | (212,929)                                     |
| Comprehensive income                                      |       | <b>869,322</b>                                | (103,268)                                     |
| Minority interest                                         |       | <b>296,209</b>                                | (109,661)                                     |
| <b>VII. Earnings per share</b>                            |       |                                               |                                               |
| (I) Basic earnings per share (RMB)                        | IV.63 | <b>0.2554</b>                                 | (0.1444)                                      |
| (II) Diluted earnings per share (RMB)                     | IV.63 | <b>0.2544</b>                                 | (0.1444)                                      |

The above figures are preliminary and subject to audit.

These figures are preliminary and subject to audit. The figures are preliminary and subject to audit. The figures are preliminary and subject to audit.

# Chapter IX 2017 Interim Financial Report (Unaudited)

87

## Interim Financial Report

For the period from 1 January to 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text prevails over Chinese text in case of discrepancy)

|                                                                           | Notes  | For the period from 1 January to 30 June 2017 | For the period from 1 January to 30 June 2016 |
|---------------------------------------------------------------------------|--------|-----------------------------------------------|-----------------------------------------------|
| <b>I. Revenue</b>                                                         | XVI.17 | <b>96,917</b>                                 | 69,104                                        |
| Revenue from contracts with customers                                     | XVI.17 | <b>1,452</b>                                  | 24,006                                        |
| Revenue from sales of goods                                               |        | -                                             | 3,373                                         |
| Revenue from services                                                     |        | <b>129,167</b>                                | 109,800                                       |
| Revenue from other operations                                             |        | <b>296,143</b>                                | (99,572)                                      |
| Revenue from disposal of subsidiaries                                     | XVI.18 | -                                             | -                                             |
| Revenue from disposal of long-term investments                            | XVI.19 | <b>1,623</b>                                  | 1,985                                         |
| Revenue from other operations                                             | XVI.20 | <b>359,040</b>                                | 118,963                                       |
| <b>II. Operating profit</b>                                               |        | <b>33,029</b>                                 | 152,445                                       |
| Operating profit from contracts with customers                            | XVI.21 | <b>21</b>                                     | 1,137                                         |
| Operating profit from other operations                                    |        | -                                             | 116                                           |
| Operating profit from disposal of subsidiaries                            | XVI.22 | <b>1,746</b>                                  | 249                                           |
| Operating profit from disposal of long-term investments                   |        | <b>586</b>                                    | 1                                             |
| <b>III. Total profit</b>                                                  |        | <b>31,304</b>                                 | 153,333                                       |
| Profit from contracts with customers/(loss from contracts with customers) | XVI.23 | <b>2,644</b>                                  | 27,968                                        |
| <b>IV. Net profit</b>                                                     |        | <b>28,660</b>                                 | 125,365                                       |
| <b>V. Other comprehensive income, net of tax</b>                          |        | -                                             | -                                             |
| <b>VI. Total comprehensive income</b>                                     |        | <b>28,660</b>                                 | 125,365                                       |

The above figures are unaudited and should not be used for any purpose other than for reference.

These figures are unaudited and should not be used for any purpose other than for reference.  
These figures are unaudited and should not be used for any purpose other than for reference.  
These figures are unaudited and should not be used for any purpose other than for reference.

## Chapter IX 2017 Interim Financial Report (Unaudited)

## Cash Flow Statement

For the period from 1 January to 30 June 2017  
 (All amounts in RMB'000 unless otherwise specified)  
 (English text prevails over Chinese text in case of discrepancy)

|                                                             | Net      | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|-------------------------------------------------------------|----------|--------------------------------------------------------|--------------------------------------------------------|
| <b>I. Cash flows from operating activities:</b>             |          |                                                        |                                                        |
| Cash generated from operations                              |          | 32,885,118                                             | 26,966,364                                             |
| Receipts from interest and dividends                        |          | 1,044,746                                              | 536,836                                                |
| Cash paid for interest and dividends                        | IV.64(1) | 709,660                                                | 252,053                                                |
| <b>Sub-total of cash inflows</b>                            |          | <b>34,639,524</b>                                      | 27,755,253                                             |
| Cash paid for operations                                    |          | 29,731,503                                             | 21,688,702                                             |
| Cash paid for taxes                                         |          | 3,003,021                                              | 2,703,551                                              |
| Payments for interest and dividends                         |          | 1,050,104                                              | 1,102,475                                              |
| Cash paid for interest and dividends                        | IV.64(2) | 1,523,112                                              | 1,326,793                                              |
| <b>Sub-total of cash outflows</b>                           |          | <b>35,307,740</b>                                      | 26,821,521                                             |
| <b>Net cash outflow/(inflows) from operating activities</b> | IV.65(1) | <b>(668,216)</b>                                       | 933,732                                                |
| <b>II. Cash flows from investing activities:</b>            |          |                                                        |                                                        |
| Cash received from disposal of subsidiaries                 |          | 600                                                    | 115,920                                                |
| Cash received from disposal of long-term investments        |          | 21,903                                                 | 241,771                                                |
| Acquisition of subsidiaries                                 |          |                                                        |                                                        |
| Acquisition of long-term investments                        |          | 37,940                                                 | 11,643                                                 |
| Acquisition of long-term investments                        |          | -                                                      | 7                                                      |
| <b>Sub-total of cash inflows</b>                            |          | <b>60,443</b>                                          | 369,341                                                |
| Cash paid for acquisition of subsidiaries                   |          | 1,421,152                                              | 4,189,354                                              |
| Cash paid for acquisition of long-term investments          |          | 142,020                                                | 791,687                                                |
| Acquisition of long-term investments                        |          | 5,000                                                  | 764,577                                                |
| <b>Sub-total of cash outflows</b>                           |          | <b>1,568,172</b>                                       | 5,745,618                                              |
| <b>Net cash outflows from investing activities</b>          |          | <b>(1,507,729)</b>                                     | (5,376,277)                                            |

## Chapter IX 2017 Interim Financial Report (Unaudited) 89

## 90 Chapter IX 2017 Interim Financial Report (Unaudited)

China Financial Statement  
For the period from January 1 to June 30, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text in the Report is Original)

## Chapter IX 2017 Interim Financial Report (Unaudited) 91

Chen S. Wang Chong, Shih E.  
Feb 1 Jun 30 Jun 2017  
(All in RMB'000)  
(English Text Only)

2016

For the Period from 1 January to 30 June 2017

Item

Shanghai Chemical Engineering (Group) Corporation Limited  
 From January 1 to June 30, 2017  
 (All figures in RMB'000, unless otherwise specified)  
 (English Text Only)

| Item                           | From 1 January to 30 June 2017 |                          |                 |                               |                            | 2016                  |                            |               |                          |
|--------------------------------|--------------------------------|--------------------------|-----------------|-------------------------------|----------------------------|-----------------------|----------------------------|---------------|--------------------------|
|                                | Share capital                  | Other equity instruments | Capital surplus | Surplus comprehensive reserve | Other comprehensive income | Undistributed profits | Total shareholders' equity | Share capital | Other equity instruments |
| I. Balance at 31 December 2016 | 2,978,577                      | 2,049,035                | 3,287,149       | 3,279,379                     | 43,754                     | 2,380,348             |                            |               |                          |

## Notes to the Financial Statements

Fri Jun 08 11:13 AM +0800 2017  
 (All times in GMT+0800)  
 (English text)

93

## I. GENERAL INFORMATION

Chn lla n nIM af Cn af (G ) C., L . (af Cm n ), , Chn lla n nIM af Cn af C., L . , Sn gnjn n b Chn hn G , af E Af Cm n (nm ) n nCn af m.(USA).In 1992, b Sh nF B nF 1736 b af af IOgn af af G nna n Sh n n n Sh nar nYnF Z (1992) 261 b Sh n n S IE n n Z h B n h af af B n Chn, af Cm n n n n af af n n b af n l f n n n n Chn lla n nIM af Cn af C., L . b af gn af af sh h af af Cm n . On 31 1993 n 17 Jn 1994 af, af Cm n n sh n n n n n n n n af af (A Sh ) n af gn sh af ll (B Sh ), n n ng n Sh n n Sot P hng . P n Sh nF B nF 1993] 925 b af af IOgn af af G nna n Sh n n n Sh nZ h ng B nF 1994] 22 b Sh n n af A n n On 1 1995, b af S A n n n In n Cm n , af Cm n h ng n af Chn lla n nIM af Cn af (G ) C., L . Th af g A n A n af Ogn af n n f h Fl , CIMC R&D G n , 2 G ng n A n , Sh , N n h n D , Sh n n , G ng ng, PRC.

On 19 March 2012, the Commission will also launch the new (B)anking (H)andling (S)ystem (BHS) (H).

[illegible]

CIMC ErP HJ ng Lra ( CIMC ErP ), h G , l n M n B S  
 E h ng H ng K ng Lra . Th n l , ErP gn, n, n ng,  
 ng n n n h l m n ng, n, n  
 n, ng n ng n h l n g, l n l,  
 n

[illegible]

## Notes to the Financial Statements

F m 1 J n 30 Jan 2017

(All in RMB'000)

(English Text Only)

## I. GENERAL INFORMATION (CONTINUED)

$\begin{matrix} \text{P4} & \text{N4} & \text{VI} & & \text{n} & \text{n} & \text{N4} & \text{V.1} \\ \text{P4} & \text{N4} & & & \text{n} & \text{n} & \text{N4} & \text{V.2} \\ \text{P4} & \text{N4} & & & \text{n} & \text{n} & \text{N4} & \text{V.2} \end{matrix}$

Th  $\frac{2}{3}$  n 7 l  $\frac{1}{2}$  n 7 n  $\frac{2}{3}$  h n b n  $\frac{1}{2}$  n n  $\frac{1}{2}$  n 7 n b h C l n  $\frac{2}{3}$  B l  $\frac{1}{2}$  D  $\frac{2}{3}$  n 28  
A g  $\frac{2}{3}$  2017.

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Tā G m n ng n ng m ng h n  
n h n l n b b , b (N II.10), n n (N  
II.11), n m n ng m n n n n (N II.20),  
n m n ng b (N II.14 n 17), n n n (N II.21) n  
gn n (N II.23).

[illegible]

## 1. Basis of preparation

1. *Th* *n* *ng* *S* *n* *B* *En* *b* *Mn* *S* *Fn* *n* *15* *F* *b* 2006, *b*

# Notes to the Financial Statements 95

For the year ended 31 January 2017  
(All amounts in RMB'000 unless otherwise stated)  
(English text and Chinese text are on the same line)

## Notes to the Financial Statements

Financial statements for the period ended 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 6. Preparation of consolidated financial statements

The consolidated financial statements are prepared on the basis of the financial statements of the Company and its subsidiaries. The consolidated financial statements are prepared on the basis of the financial statements of the Company and its subsidiaries. The consolidated financial statements are prepared on the basis of the financial statements of the Company and its subsidiaries.

When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates.

When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates.

For the consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. For the consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. For the consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates.

When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates.

When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates.

C h n f h , n n l n f h n h n , h h n b l n n m n , n h -  
n n h g l l , n n h n h l n b l n n m n f h n n h n b  
n n g n n h p g n , .

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

### II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 8. Foreign currency transactions and translation of financial statements denominated in foreign currency

When the Group enters into transactions with foreign currencies, the transaction amounts are recorded in the functional currency of the entity. At the end of each reporting period, foreign currency monetary items are translated into the functional currency of the entity at the closing rate. Non-monetary items measured in foreign currency are translated into the functional currency of the entity at the exchange rate at the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity at the closing rate. Income and expenses are translated into the functional currency of the entity at the exchange rate at the date of the transaction.

When the Group enters into transactions with foreign currencies, the transaction amounts are recorded in the functional currency of the entity. At the end of each reporting period, foreign currency monetary items are translated into the functional currency of the entity at the closing rate. Non-monetary items measured in foreign currency are translated into the functional currency of the entity at the exchange rate at the date of the transaction. The Group uses the closing rate to translate foreign currency monetary items into the functional currency of the entity. The Group uses the exchange rate at the date of the transaction to translate foreign currency non-monetary items into the functional currency of the entity. The Group uses the exchange rate at the date of the transaction to translate foreign currency income and expenses into the functional currency of the entity.

The Group uses the closing rate to translate foreign currency monetary items into the functional currency of the entity. The Group uses the exchange rate at the date of the transaction to translate foreign currency non-monetary items into the functional currency of the entity. The Group uses the exchange rate at the date of the transaction to translate foreign currency income and expenses into the functional currency of the entity. The Group uses the exchange rate at the date of the transaction to translate foreign currency income and expenses into the functional currency of the entity. The Group uses the exchange rate at the date of the transaction to translate foreign currency income and expenses into the functional currency of the entity.

# Notes to the Financial Statements

99

Financial Statements for the year ended 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are equally authentic)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial Instruments

The Company classifies financial instruments into three categories: financial assets, financial liabilities and equity instruments. The classification is based on the substance of the financial instrument and the Company's business model.

#### (1) Financial Assets

(a) Initial Recognition and Measurement

Financial assets are classified into three categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets at amortized cost. The classification is based on the Company's business model and the characteristics of the financial asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets that are held for trading or are designated as financial assets at fair value through profit or loss at initial recognition.

(b) Subsequent Measurement

Financial assets at fair value through profit or loss are measured at fair value at each reporting date. Changes in fair value are recognized in profit or loss.

(c) Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets at fair value through other comprehensive income are those financial assets that are held for long-term and are designated as financial assets at fair value through other comprehensive income at initial recognition. Changes in fair value are recognized in other comprehensive income.

(d) Financial Assets at Amortized Cost

Financial assets at amortized cost are those financial assets that are held for long-term and are designated as financial assets at amortized cost at initial recognition. They are measured at amortized cost using the effective interest method.

Financial assets at amortized cost are measured at amortized cost using the effective interest method. Changes in amortized cost are recognized in profit or loss.

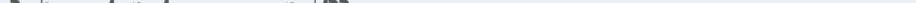
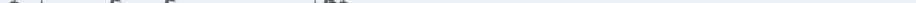
Filing Date: 30 June 2017  
(All rights reserved)  
(English Only)

## 9. Financial instruments (Continued)

### (1) Financial Assets (Continued)

G n | ng | h gh |

1. 我 們 不 能 不 認 識 到 這 個 事 實 是 一 個 嚴 重 的 挑 戰 。  
 2. 我 們 不 能 不 認 識 到 這 個 事 實 是 一 個 嚴 重 的 挑 戰 。  
 3. 我 們 不 能 不 認 識 到 這 個 事 實 是 一 個 嚴 重 的 挑 戰 。  
 4. 我 們 不 能 不 認 識 到 這 個 事 實 是 一 個 嚴 重 的 挑 戰 。  
 5. 我 們 不 能 不 認 識 到 這 個 事 實 是 一 個 嚴 重 的 挑 戰 。  
 6. 我 們 不 能 不 認 識 到 這 個 事 實 是 一 個 嚴 重 的 挑 戰 。  
 7. 我 們 不 能 不 認 識 到 這 個 事 實 是 一 個 嚴 重 的 挑 戰 。  
 8. 我 們 不 能 不 認 識 到 這 個 事 實 是 一 個 嚴 重 的 挑 戰 。  
 9. 我 們 不 能 不 認 識 到 這 個 事 實 是 一 個 嚴 重 的 挑 戰 。  
 10. 我 們 不 能 不 認 識 到 這 個 事 實 是 一 個 嚴 重 的 挑 戰 。

Th G  ng m  n  |  h n h  , h  gh   
 h b  .  h  , n n |  m  , G   
 m  n  | 

Ob ng | m || h n |  
 n gn n | n n | m m | m m |  
 h | n n | b b | G

[illegible]

## Notes to the Financial Statements

101

(All in RMB'000)  
 (English T. Ref. Onl.)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

## 9. Financial instruments (Continued)

### (1) Financial Assets (Continued)

( )      ( )

# Notes to the Financial Statements

For the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial Instruments (Continued)

#### (2) Financial liabilities

Financial liabilities are initially recognized at fair value. Financial liabilities are subsequently measured at amortized cost using the effective interest method.

For financial liabilities that are not measured at fair value through profit or loss, the difference between the proceeds and the carrying amount is recognized in equity as a premium or discount.

For financial liabilities that are not measured at fair value through profit or loss, the difference between the proceeds and the carrying amount is recognized in equity as a premium or discount.

Financial liabilities are classified as current or non-current liabilities based on the expected maturity date. For financial liabilities that are classified as current liabilities, the carrying amount is measured at the end of the reporting period. For financial liabilities that are classified as non-current liabilities, the carrying amount is measured at the end of the reporting period. For financial liabilities that are classified as current liabilities, the carrying amount is measured at the end of the reporting period. For financial liabilities that are classified as non-current liabilities, the carrying amount is measured at the end of the reporting period.

Other financial liabilities are measured at fair value through profit or loss. Other financial liabilities are measured at fair value through profit or loss. Other financial liabilities are measured at fair value through profit or loss. Other financial liabilities are measured at fair value through profit or loss.

Financial liabilities are classified as current or non-current liabilities based on the expected maturity date. For financial liabilities that are classified as current liabilities, the carrying amount is measured at the end of the reporting period. For financial liabilities that are classified as non-current liabilities, the carrying amount is measured at the end of the reporting period.

#### (3) Determination of fair value

The fair value of financial instruments is determined based on the market price of the instrument. For financial instruments that are not traded in an active market, the fair value is determined based on the market price of the instrument. For financial instruments that are not traded in an active market, the fair value is determined based on the market price of the instrument. For financial instruments that are not traded in an active market, the fair value is determined based on the market price of the instrument.

1. 哥 不 同 样 的 人 格 特 点 和 价 值 观 念 的 影 响 下 ， 他 们 的 行 为 和 思 想 会 有 所 不 同 。  
 2. 在 这 个 过 程 中 ， 他 们 的 行 为 和 思 想 会 有 所 不 同 。  
 3. 在 这 个 过 程 中 ， 他 们 的 行 为 和 思 想 会 有 所 不 同 。  
 4. 在 这 个 过 程 中 ， 他 们 的 行 为 和 思 想 会 有 所 不 同 。  
 5. 在 这 个 过 程 中 ， 他 们 的 行 为 和 思 想 会 有 所 不 同 。  
 6. 在 这 个 过 程 中 ， 他 们 的 行 为 和 思 想 会 有 所 不 同 。  
 7. 在 这 个 过 程 中 ， 他 们 的 行 为 和 思 想 会 有 所 不 同 。  
 8. 在 这 个 过 程 中 ， 他 们 的 行 为 和 思 想 会 有 所 不 同 。  
 9. 在 这 个 过 程 中 ， 他 们 的 行 为 和 思 想 会 有 所 不 同 。  
 10. 在 这 个 过 程 中 ， 他 们 的 行 为 和 思 想 会 有 所 不 同 。

# Notes to the Financial Statements

Financial statements for the period ended 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Receivables (Continued)

#### (1) Receivables that are individually significant and impairment provided on an individual basis:

Company's receivables are classified into individually significant receivables and non-individually significant receivables. For individually significant receivables, impairment is provided on an individual basis.

When the company's receivables are classified as individually significant, impairment is provided on an individual basis.

In addition, for individually significant receivables, impairment is provided on an individual basis. For non-individually significant receivables, impairment is provided on a collective basis. The impairment allowance for non-individually significant receivables is determined by the 5% impairment allowance for receivables.

When the company's receivables are classified as individually significant, impairment is provided on an individual basis. For non-individually significant receivables, impairment is provided on a collective basis. The impairment allowance for non-individually significant receivables is determined by the 5% impairment allowance for receivables.

#### (2) Receivable that are individually insignificant but impairment provided on an individual basis:

Company's receivables are classified into individually significant receivables and non-individually significant receivables. For non-individually significant receivables, impairment is provided on a collective basis.

When the company's receivables are classified as non-individually significant, impairment is provided on a collective basis.

When the company's receivables are classified as non-individually significant, impairment is provided on a collective basis. For individually significant receivables, impairment is provided on an individual basis.

When the company's receivables are classified as non-individually significant, impairment is provided on a collective basis. For individually significant receivables, impairment is provided on an individual basis.

# Notes to the Financial Statements

105

Financial statements for the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text is for reference only)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Receivables (Continued)

#### (3) Receivables that are assessed for impairment on a collective group basis:

For receivables that are assessed for impairment on a collective group basis, the Company uses the expected credit loss model to estimate the expected credit loss. The Company uses the historical loss rate to estimate the expected credit loss. The Company uses the historical loss rate to estimate the expected credit loss. The Company uses the historical loss rate to estimate the expected credit loss.

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Receivables (Continued)

#### (3) Receivables that are assessed for impairment on a collective group basis: (Continued)

Financial assets are grouped on the basis of similar credit risk characteristics and are assessed for impairment on a collective basis:

| Ageing                    | Percentage of total accounts receivable (%) |         |
|---------------------------|---------------------------------------------|---------|
|                           | Group 1, 2, 4, 5, 6                         | Group 3 |
| Within 1 year (inclusive) | 5%                                          | 0%-5%   |
| 1 to 2 years (inclusive)  | 30%                                         | 30%     |
| Over 2 years              | 100%                                        | 100%    |

- (4) When the Group transfers the accounts receivable to the financial institutions without recourse, the difference between the proceeds received from the transaction and their carrying amounts and the related taxes is recognised in profit or loss for the current period.

### 11. Inventories

#### (1) Classification

Inventories are classified into raw materials, work in progress, finished goods, and consumables. Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and less estimated costs of disposal.

#### (2) Cost of inventories

Cost of inventories is determined on the basis of the weighted average method.

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Inventories (Continued)

- (3) The underlying factors in the determination of net realisable values of inventories and basis of provision for decline in value of inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of disposal. Inventories are written down to net realisable value when the carrying amount exceeds net realisable value. Any reversal of the provision for decline in value of inventories is limited to the amount of the provision previously established.

At the balance sheet date, inventories are stated at the lower of cost and net realisable value.

At the balance sheet date, inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of disposal. Inventories are written down to net realisable value when the carrying amount exceeds net realisable value. Any reversal of the provision for decline in value of inventories is limited to the amount of the provision previously established.

Any reversal of the provision for decline in value of inventories is limited to the amount of the provision previously established.

- (4) Inventory system

The Group uses the first-in, first-out method.

- (5) Amortisation of reusable material including low-value consumables and packaging material

Reusable material including low-value consumables and packaging material are amortised on a straight-line basis over their estimated useful lives.

### 12. Long-term equity investments

Long-term equity investments are stated at cost, less impairment. Cost includes the purchase price and any directly attributable transaction costs.

Subsequent to acquisition, the Group uses the cost method to account for long-term equity investments. The Group does not recognise changes in the fair value of long-term equity investments. Dividends received from the investee are recognised as income when the Group receives the dividends.

Long-term equity investments are stated at cost, less impairment. Cost includes the purchase price and any directly attributable transaction costs. The Group does not recognise changes in the fair value of long-term equity investments. Dividends received from the investee are recognised as income when the Group receives the dividends.



# Notes to the Financial Statements

109

Final Report 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is in Chinese)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 12. Long-term equity investments (Continued)

#### (3) Basis for determining the existence of joint control or significant influence over an investee

When determining the existence of joint control or significant influence over an investee, the Company shall consider the following factors:

1. The Company's power to participate in the financial and operating policy decisions of the investee; 2. The Company's power to appoint or remove members of the board of directors or the management of the investee; 3. The Company's power to exercise significant influence over the investee's financial and operating policy decisions.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not to control the investee.

#### (4) Method of impairment testing and measuring

The Company shall test for impairment of long-term equity investments at the end of each reporting period. If the carrying amount of the investment exceeds its recoverable amount, the Company shall recognize an impairment loss.

### 13. INVESTMENT PROPERTIES

Investment properties are properties held to earn rental income or for capital appreciation, or both. Investment properties are measured at cost less accumulated depreciation and impairment losses. When the fair value of an investment property can be reliably determined, the Company shall measure the investment property at fair value. The fair value of an investment property shall be determined by reference to the market price of similar properties in the same location and condition.

The Company shall recognize a gain or loss when an investment property is sold, transferred, or otherwise disposed of. The gain or loss shall be calculated as the difference between the net proceeds from the disposal and the carrying amount of the investment property.

When an investment property is sold, the Company shall recognize a gain or loss. When an investment property is transferred, the Company shall recognize a gain or loss. When an investment property is otherwise disposed of, the Company shall recognize a gain or loss. The gain or loss shall be calculated as the difference between the net proceeds from the disposal and the carrying amount of the investment property.

## Notes to the Financial Statements

For the year ended 31st June 2017  
(All amounts in RMB'000 unless otherwise stated)  
(English Text and Chinese Text are Original)

### II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 14. Fixed assets

##### (1) Recognition

For assets that are held for sale, the carrying amount is measured at the lower of carrying amount and fair value less costs to sell. The carrying amount is measured at the lower of carrying amount and fair value less costs to sell.

The assets are classified as held for sale when the management has decided to dispose of the assets, and the disposal is highly probable. The assets are classified as held for sale when the management has decided to dispose of the assets, and the disposal is highly probable.

When the carrying amount of the assets is higher than the fair value less costs to sell, the carrying amount is reduced to the fair value less costs to sell. When the carrying amount of the assets is higher than the fair value less costs to sell, the carrying amount is reduced to the fair value less costs to sell.

The assets are classified as held for sale when the management has decided to dispose of the assets, and the disposal is highly probable. The assets are classified as held for sale when the management has decided to dispose of the assets, and the disposal is highly probable.

For assets that are held for sale, the carrying amount is measured at the lower of carrying amount and fair value less costs to sell. The carrying amount is measured at the lower of carrying amount and fair value less costs to sell.

##### (2) Depreciation

For assets that are held for sale, the carrying amount is measured at the lower of carrying amount and fair value less costs to sell. The carrying amount is measured at the lower of carrying amount and fair value less costs to sell.

# Notes to the Financial Statements

111

Final Report for the year ended 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are on a pari passu basis)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 14. Fixed assets (Continued)

(3) For the method of impairment testing and measuring, refer to Note II.20.

(4) Basis for identification of fixed assets held under finance leases and related measurement

For the purpose of identification and measurement of fixed assets held under finance leases, refer to Note II.27(3).

### (5) Disposal

Assets held under finance leases are identified and measured as fixed assets. When the assets are disposed, the carrying amount of the assets is deducted from the fixed assets account, and the disposal proceeds are recorded in the disposal proceeds account. The difference between the carrying amount and the disposal proceeds is recorded in the profit or loss account.

### 15. Construction in progress

Construction in progress is recorded at cost. The cost includes the purchase price of the construction materials, the cost of the construction services, the cost of the construction management fees, the cost of the construction insurance, and the cost of the construction taxes. The cost of the construction in progress is recorded in the construction in progress account.

Assets held under finance leases are identified and measured as fixed assets. When the assets are disposed, the carrying amount of the assets is deducted from the fixed assets account, and the disposal proceeds are recorded in the disposal proceeds account. The difference between the carrying amount and the disposal proceeds is recorded in the profit or loss account.

### 16. Borrowing costs

Borrowing costs are recorded at the amount of the borrowing costs incurred. The borrowing costs include the interest on the borrowings, the fees of the borrowings, and the costs of the borrowings.

The borrowing costs are recorded in the borrowing costs account. The borrowing costs are recorded in the borrowing costs account.

The borrowing costs are recorded in the borrowing costs account. The borrowing costs are recorded in the borrowing costs account.

When the borrowing costs are incurred, the borrowing costs are recorded in the borrowing costs account. The borrowing costs are recorded in the borrowing costs account.

When the borrowing costs are incurred, the borrowing costs are recorded in the borrowing costs account. The borrowing costs are recorded in the borrowing costs account.



# Notes to the Financial Statements 113

Financial statements for the period from 1 January to 30 June 2017  
(All figures in RMB'000 unless otherwise stated)  
(English translation of the original Chinese text)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17.

## Notes to the Financial Statements

Financial statements for the year ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English text and Chinese text are original)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 18. Goodwill

Goodwill is the excess of the purchase price over the fair value of the identifiable intangible assets acquired in a business combination. Goodwill is measured as the difference between the purchase price and the fair value of the identifiable intangible assets acquired in a business combination. Goodwill is measured as the difference between the purchase price and the fair value of the identifiable intangible assets acquired in a business combination.

Goodwill is not amortised but is tested for impairment annually, or more frequently if there are indications of impairment. Goodwill is measured as the difference between the purchase price and the fair value of the identifiable intangible assets acquired in a business combination. Goodwill is measured as the difference between the purchase price and the fair value of the identifiable intangible assets acquired in a business combination.

### 19. Long-term prepaid expenses

Long-term prepaid expenses are those prepaid expenses that are expected to be consumed over a period longer than one year.

The following table shows the amortisation period of long-term prepaid expenses:

| Item            | Amortisation period (years) |
|-----------------|-----------------------------|
| Land use rights | 2-10                        |
| Other           | 3-5                         |

### 20. Impairment of long-term assets

For long-term assets, impairment is determined by comparing the carrying amount of the asset with its recoverable amount. The recoverable amount is the maximum of the asset's fair value less costs of disposal and its value in use. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and the impairment loss is recognised in the profit or loss account. Impairment losses are recognised in the profit or loss account. Impairment losses are recognised in the profit or loss account.

Goodwill is tested for impairment annually, or more frequently if there are indications of impairment. Goodwill is measured as the difference between the purchase price and the fair value of the identifiable intangible assets acquired in a business combination. Goodwill is measured as the difference between the purchase price and the fair value of the identifiable intangible assets acquired in a business combination.

Other long-term assets are tested for impairment annually, or more frequently if there are indications of impairment.

# Notes to the Financial Statements

115

Final Report for the year ended 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 21. Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A provision is measured at the best estimate of the amount required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where the Group has a range of possible outcomes, the provision is measured at the weighted average of the possible outcomes, weighted by their respective probabilities.

When the Group is not certain whether it will have to settle an obligation, a contingent liability shall be disclosed but not recognized as a liability.

Provisions are reviewed at each reporting date and adjusted to reflect changes in circumstances.

In the case of provisions, the Group recognizes a liability when it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The Group also recognizes a liability when it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### 22. Share-based payments

#### (1) Classification

Share-based payments are classified as equity-settled or cash-settled share-based payments depending on the nature of the liability.

#### (2) Method to determine the fair value of equity instruments

The fair value of equity instruments is determined using the Black-Scholes model. The model takes into account the following factors: (1) the exercise price of the option; (2) the current market price of the underlying shares; (3) the expected volatility of the underlying shares; (4) the expected dividend yield; (5) the risk-free rate; and (6) the time to maturity.

#### (3) Basis of the best estimate of the number of equity instruments expected to vest

At the end of each reporting period, the Group estimates the number of equity instruments expected to vest based on the best estimate of the number of equity instruments expected to vest. The estimate is based on the following factors: (1) the number of equity instruments granted; (2) the number of equity instruments expected to be forfeited; and (3) the number of equity instruments expected to be exercised.

Filing Date: 30 June 2017  
 (All rights reserved)  
 (English Title Only)

## 22. Share-based payments (Continued)

#### (4) Accounting treatment for share-based payment

[illegible][illegible]

## 23. Revenue recognition

R- n g n l n b n n g n G n  
n n l n h h , h n i ng b r  
in h h gh n l n b b h n b ll  
l G , n n nb h bl n ill ng- n

n .

(1) Sale of goods

( ) Th g n n n h g h b n n b :

[illegible]

R n m a t g a n .  
 n a t g a n .

# Notes to the Financial Statements

117

2017 10 30  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text have equal effect)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 23. Revenue recognition (Continued)

#### (1) Sale of goods (Continued)

Revenue is recognized when the following conditions are met:

The goods have been transferred to the buyer and the buyer has accepted them.

Revenue is recognized when the following conditions are met:

When the goods are transferred to the buyer, the buyer has accepted them, and the goods have been delivered to the buyer. When the goods are transferred to the buyer, the buyer has accepted them, and the goods have been delivered to the buyer. When the goods are transferred to the buyer, the buyer has accepted them, and the goods have been delivered to the buyer.

Revenue is recognized when the following conditions are met:

The goods have been transferred to the buyer and the buyer has accepted them. When the goods are transferred to the buyer, the buyer has accepted them, and the goods have been delivered to the buyer. When the goods are transferred to the buyer, the buyer has accepted them, and the goods have been delivered to the buyer.

#### (2) Revenue from construction contracts

When the construction contract is completed, the revenue is recognized. When the construction contract is completed, the revenue is recognized. When the construction contract is completed, the revenue is recognized.

The revenue is recognized when the following conditions are met:

When the construction contract is completed, the revenue is recognized.

(a) When the construction contract is completed, the revenue is recognized.

(b) When the construction contract is completed, the revenue is recognized.

When the construction contract is completed, the revenue is recognized.

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

### II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 23. Revenue recognition (Continued)

##### (2) Revenue from construction contracts (Continued)

When the contract is completed, the revenue is recognized. If the contract is not completed, the revenue is recognized as follows:

(1) If the contract is completed, the revenue is recognized as follows:

(2) If the contract is not completed, the revenue is recognized as follows:

When the contract is completed, the revenue is recognized. If the contract is not completed, the revenue is recognized as follows:

##### (3) Rendering of services

When the service is rendered, the revenue is recognized. If the service is not rendered, the revenue is recognized as follows:

# Notes to the Financial Statements

119

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 24. Employee benefits

Employee benefits include short-term employee benefits, long-term employee benefits and termination benefits. Short-term employee benefits are those benefits that are expected to be paid within 12 months after the reporting period. Long-term employee benefits are those benefits that are not expected to be paid within 12 months after the reporting period. Termination benefits are those benefits that are payable to employees as a result of termination of their employment.

#### (1) short-term wages

Short-term wages include wages, salaries, bonuses, short-term employee benefits, and other short-term employee benefits. Short-term wages are recognized as an expense when the employee has rendered service to the company. Short-term wages are measured at the undiscounted amount of cash or cash equivalents that the company expects to pay to its employees in full settlement of the short-term wage obligation.

#### (2) pension benefits

Defined contribution pension plans are those pension plans in which the company pays a fixed amount to a pension fund, and the pension fund is responsible for paying the pension to the employee. Defined contribution pension plans are recognized as an expense when the employee has rendered service to the company.

The company's defined contribution pension plans are the Shanghai Pudong New Area Pension Insurance Fund and the Shanghai Pudong New Area Pension Insurance Fund. The company's defined contribution pension plans are recognized as an expense when the employee has rendered service to the company. The company's defined contribution pension plans are measured at the undiscounted amount of cash or cash equivalents that the company expects to pay to its employees in full settlement of the defined contribution pension obligation.

#### (3) Enterprise annuities plan

The company's enterprise annuities plan is the Shanghai Pudong New Area Enterprise Annuities Plan. The company's enterprise annuities plan is recognized as an expense when the employee has rendered service to the company. The company's enterprise annuities plan is measured at the undiscounted amount of cash or cash equivalents that the company expects to pay to its employees in full settlement of the enterprise annuities plan obligation.

The company's enterprise annuities plan is the Shanghai Pudong New Area Enterprise Annuities Plan. The company's enterprise annuities plan is recognized as an expense when the employee has rendered service to the company. The company's enterprise annuities plan is measured at the undiscounted amount of cash or cash equivalents that the company expects to pay to its employees in full settlement of the enterprise annuities plan obligation.

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text and Chinese text are original)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 25. Government grants

Government grants are recognized when the entity can reasonably be assured that the grant will be received and that the entity will comply with the conditions attached to the grant.

Government grants related to the costs of an asset are recognized as income over the useful life of the asset. Government grants related to the costs of an expense are recognized as income when the expense is incurred. Government grants related to the costs of a loss are recognized as income when the loss is incurred. Government grants related to the costs of a gain are recognized as income when the gain is realized.

Government grants related to the costs of an asset are recognized as income over the useful life of the asset. Government grants related to the costs of an expense are recognized as income when the expense is incurred. Government grants related to the costs of a loss are recognized as income when the loss is incurred. Government grants related to the costs of a gain are recognized as income when the gain is realized.

Government grants related to the costs of an asset are recognized as income over the useful life of the asset. Government grants related to the costs of an expense are recognized as income when the expense is incurred. Government grants related to the costs of a loss are recognized as income when the loss is incurred. Government grants related to the costs of a gain are recognized as income when the gain is realized.

# Notes to the Financial Statements

121

Final Report for the year ended 30 June 2017  
(All amounts in RMB'000 unless otherwise stated)  
(English Text and Chinese Text are equally authentic)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Deferred tax assets and deferred tax liabilities (Continued)

The Group has recognized deferred tax assets and liabilities in respect of the following items:

For the year ended 30 June 2017, the Group has recognized deferred tax assets and liabilities in respect of the following items:

A deferred tax asset is recognized for all deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

### 27. Operating and finance leases

Assets and liabilities are classified as operating or finance leases based on the substance of the arrangement. Assets and liabilities are classified as operating leases if the lease term is less than 12 months and the asset is not a right-of-use asset.

#### (1) Assets acquired under operating leases

Assets acquired under operating leases are recognized as right-of-use assets and are measured at the present value of the lease payments, discounted using the incremental borrowing rate.

Filing Date: 30 June 2017  
 (All rights reserved)  
 (English Only)

## 27. Operating and finance leases (Continued)

## (2) Assets leased out under operating leases

Fo ngf Na II.13)   
n h G n Na II.14(2). In   
n h n ng n Na II.20. O ng  
 gh -la h . m ngf gn n   
 ng gh -la h . n l n   
 l , n ll n n l m n   
 b . O , h g

(3) Assets acquired under finance leases

[illegible][illegible]

Un-<sup>1</sup>gn-<sup>2</sup> n-<sup>3</sup> h-<sup>4</sup> g-<sup>5</sup> n-<sup>6</sup> n-<sup>7</sup> t-<sup>8</sup> t-<sup>9</sup> m-<sup>10</sup> t-<sup>11</sup> ng-<sup>12</sup> n-<sup>13</sup> n-<sup>14</sup> n-<sup>15</sup> h-<sup>16</sup> t-<sup>17</sup> t-<sup>18</sup> t-<sup>19</sup> m-<sup>20</sup> Th-<sup>21</sup> m-<sup>22</sup> t-<sup>23</sup> n-<sup>24</sup> t-<sup>25</sup> n-<sup>26</sup> t-<sup>27</sup> h-<sup>28</sup> n-<sup>29</sup> t-<sup>30</sup> b-<sup>31</sup> t-<sup>32</sup> ng-<sup>33</sup> N-<sup>34</sup> ll.16).

A h b l g f h n , l n g m b t z i n g , l n , n q a t f z , n h h n f g n z n q  
h g z , n n f n z l n g m b t z n n n l b l z n h n n n f z n l , n h  
b l g f h .

# Notes to the Financial Statements

123

Final Report on the 2017 Annual Report  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is for Reference Only)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 27. Operating and finance leases (Continued)

#### (4) Assets leased out under finance leases

At the end of the reporting period, the Group's finance lease assets are as follows:

| Item                              | Amount    |
|-----------------------------------|-----------|
| 1. Finance lease assets           | 1,234,567 |
| 2. Less: accumulated depreciation | (123,456) |
| 3. Less: impairment loss          | (12,345)  |
| 4. Net amount                     | 1,098,765 |

The Group's finance lease assets are measured at cost less accumulated depreciation and impairment loss. The Group's finance lease assets are classified as non-current assets. The Group's finance lease assets are measured at cost less accumulated depreciation and impairment loss. The Group's finance lease assets are classified as non-current assets.

### 28. Assets held for sale and discontinued operation

At the end of the reporting period, the Group's assets held for sale are as follows:

| Item                              | Amount    |
|-----------------------------------|-----------|
| 1. Assets held for sale           | 1,234,567 |
| 2. Less: accumulated depreciation | (123,456) |
| 3. Less: impairment loss          | (12,345)  |
| 4. Net amount                     | 1,098,765 |

The Group's assets held for sale are measured at cost less accumulated depreciation and impairment loss. The Group's assets held for sale are classified as non-current assets. The Group's assets held for sale are measured at cost less accumulated depreciation and impairment loss. The Group's assets held for sale are classified as non-current assets.

At the end of the reporting period, the Group's discontinued operations are as follows:

| Item                              | Amount    |
|-----------------------------------|-----------|
| 1. Discontinued operations        | 1,234,567 |
| 2. Less: accumulated depreciation | (123,456) |
| 3. Less: impairment loss          | (12,345)  |
| 4. Net amount                     | 1,098,765 |

The Group's discontinued operations are measured at cost less accumulated depreciation and impairment loss. The Group's discontinued operations are classified as non-current assets. The Group's discontinued operations are measured at cost less accumulated depreciation and impairment loss. The Group's discontinued operations are classified as non-current assets.

The Group's discontinued operations are measured at cost less accumulated depreciation and impairment loss. The Group's discontinued operations are classified as non-current assets. The Group's discontinued operations are measured at cost less accumulated depreciation and impairment loss. The Group's discontinued operations are classified as non-current assets.

## Notes to the Financial Statements

Financial statements for the period from January 1, 2017, to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text and Chinese text are original)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 29. Hedge accounting

The Group uses hedge accounting to hedge its foreign currency risk. The Group uses the following methods to hedge its foreign currency risk:

The Group uses foreign currency derivatives to hedge its foreign currency risk. The Group uses the following methods to hedge its foreign currency risk:

The Group uses foreign currency derivatives to hedge its foreign currency risk. The Group uses the following methods to hedge its foreign currency risk:

The Group uses foreign currency derivatives to hedge its foreign currency risk. The Group uses the following methods to hedge its foreign currency risk:

The Group uses foreign currency derivatives to hedge its foreign currency risk. The Group uses the following methods to hedge its foreign currency risk:

The Group uses foreign currency derivatives to hedge its foreign currency risk. The Group uses the following methods to hedge its foreign currency risk:

#### Cash flow hedges

The Group uses cash flow hedges to hedge its foreign currency risk. The Group uses the following methods to hedge its foreign currency risk:

The Group uses cash flow hedges to hedge its foreign currency risk. The Group uses the following methods to hedge its foreign currency risk:

The Group uses cash flow hedges to hedge its foreign currency risk. The Group uses the following methods to hedge its foreign currency risk:

The Group uses cash flow hedges to hedge its foreign currency risk. The Group uses the following methods to hedge its foreign currency risk:

The Group uses cash flow hedges to hedge its foreign currency risk. The Group uses the following methods to hedge its foreign currency risk:

● ( )    一 二    三 四 五    六 七 八    九 十    十一 十二    十三 十四 十五    十六 十七 十八    十九 二十    二十一 二十二 二十三 二十四 二十五 二十六 二十七 二十八 二十九 三十

# Notes to the Financial Statements

For the year ended June 30, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 31. Related parties (Continued)

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( ) 本公司与关联方发生的关联交易均按照公允价值进行;

( )

# Notes to the Financial Statements

127

Financial statements for the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 32. Segment reporting

Reportable segments are determined based on the internal financial reporting system used by the company to report information to the board of directors.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

## 33. Significant changes in accounting policy

- (1) On 10 May 2017, the Ministry of Finance issued the Notice on Issuing Accounting Standards for Business Enterprises – No. 16, Government Grants (C K [2017] No. 15) and the Accounting Standards for Business Enterprises – No. 16, Government Grants, which are effective from 12 January 2017. For the period from 1 January to 30 June 2017, the Company has applied the new accounting standards from the beginning of the reporting period. The impact of the change is as follows:

| Contents and reasons for the change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Impacted items on financial statement | Impacted amount for the period from 1 January to 30 June 2017 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------------------|
| The government grants are classified as income in the profit and loss account. The Company has applied the new accounting standards for government grants from the beginning of the reporting period. The government grants are classified as income in the profit and loss account. The Company has applied the new accounting standards for government grants from the beginning of the reporting period. The government grants are classified as income in the profit and loss account. The Company has applied the new accounting standards for government grants from the beginning of the reporting period. | Other income<br>Non-current asset     | 91,032<br>(91,032)                                            |

- (2) On 28 April 2017, the Ministry of Finance issued the Notice on Issuing Accounting Standards for Business Enterprises – No. 42, Financial Instruments (C K [2017] No. 13), which are effective from 28 May 2017. For the period from 1 January to 30 June 2017, the Company has applied the new accounting standards for financial instruments from the beginning of the reporting period. The impact of the change is as follows:

## Notes to the Financial Statements

129

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are equally authentic)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 34. Critical accounting estimates and judgements

The Company has identified the following critical accounting estimates and judgements that have a significant effect on the financial statements:

1. **Allowance for doubtful accounts**: The Company assesses the collectability of its accounts receivable based on the creditworthiness of its customers and the historical experience of the Company. The allowance for doubtful accounts is determined based on the Company's best estimate of the amount of accounts receivable that will not be collected.

2. **Allowance for inventory obsolescence**: The Company assesses the obsolescence of its inventory based on the current market conditions and the Company's historical experience. The allowance for inventory obsolescence is determined based on the Company's best estimate of the amount of inventory that will not be sold at its carrying amount.

3. **Allowance for deferred tax assets**: The Company assesses the realizability of its deferred tax assets based on the Company's future taxable income and the Company's historical experience. The allowance for deferred tax assets is determined based on the Company's best estimate of the amount of deferred tax assets that will not be realized.

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 34. Critical accounting estimates and judgements (Continued)

#### (3) Impairment of long-term assets

As described in Note II.20, long-term assets are subject to impairment tests. The Company assesses whether there is any indication of impairment at the end of each reporting period. If there is any indication of impairment, the Company estimates the recoverable amount of the asset. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use of the asset.

The fair value less costs of disposal is determined based on the fair value of the asset less the costs of disposal. The value in use is the present value of the future cash flows expected to be derived from the asset. The Company uses the discounted cash flow method to estimate the value in use. The discount rate is the weighted average cost of capital of the Company. The Company also considers the market value of the asset, if available, to estimate the fair value less costs of disposal. The Company uses the market value of the asset, if available, to estimate the fair value less costs of disposal. The Company also considers the market value of the asset, if available, to estimate the fair value less costs of disposal.

The Company uses the discounted cash flow method to estimate the value in use. The discount rate is the weighted average cost of capital of the Company. The Company also considers the market value of the asset, if available, to estimate the fair value less costs of disposal. The Company uses the market value of the asset, if available, to estimate the fair value less costs of disposal. The Company also considers the market value of the asset, if available, to estimate the fair value less costs of disposal.

The Company uses the discounted cash flow method to estimate the value in use. The discount rate is the weighted average cost of capital of the Company. The Company also considers the market value of the asset, if available, to estimate the fair value less costs of disposal. The Company uses the market value of the asset, if available, to estimate the fair value less costs of disposal. The Company also considers the market value of the asset, if available, to estimate the fair value less costs of disposal.

The Company uses the discounted cash flow method to estimate the value in use. The discount rate is the weighted average cost of capital of the Company. The Company also considers the market value of the asset, if available, to estimate the fair value less costs of disposal. The Company uses the market value of the asset, if available, to estimate the fair value less costs of disposal. The Company also considers the market value of the asset, if available, to estimate the fair value less costs of disposal.

#### (4) Depreciation and amortisation of assets such as fixed assets and intangible assets

As described in Note II.14 and 17, the Company depreciates fixed assets and amortises intangible assets. The depreciation and amortisation are calculated on a straight-line basis over the useful life of the asset. The useful life of the asset is determined based on the expected economic benefits to be derived from the asset. The Company also considers the market value of the asset, if available, to estimate the fair value less costs of disposal. The Company uses the market value of the asset, if available, to estimate the fair value less costs of disposal. The Company also considers the market value of the asset, if available, to estimate the fair value less costs of disposal.

# Notes to the Financial Statements

131

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is for reference only)

II.

# Notes to the Financial Statements

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

## III. TAXATION

### 1. Main taxes categories and rates

| Types of tax              | Tax basis                                                                                                                                                                                                                                                                                                                   | Tax rate |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| VAT (Value Added Tax) ( ) | The VAT is levied on the value added in the process of production and distribution of goods and services. The VAT rate is 17% for taxable goods and services, and 11% for taxable services. The VAT is calculated on the basis of the net amount of the taxable goods and services, and the VAT is payable by the taxpayer. |          |

# Notes to the Financial Statements

133

Financial statements for the year ended 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text is authoritative)

## III. TAXATION (CONTINUED)

### 2. Preferential tax treatments

The following table lists the enterprises that have obtained preferential tax treatments:

|    | Name of enterprises                                     | Local statutory tax rate | Preferential rate | Reasons                                                                                                                                        |
|----|---------------------------------------------------------|--------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Ning CIMC Shipbuilding Engineering Co., Ltd.            | 25%                      | 15%               | During the period from 2015 to 2017, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 2  | Xinhui CIMC Shipbuilding Engineering Co., Ltd.          | 25%                      | 15%               | During the period from 2016 to 2018, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 3  | Yonghui Rongli Engineering Co., Ltd.                    | 25%                      | 15%               | During the period from 2014 to 2016, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 4  | Yonghui Tongli Engineering Co., Ltd.                    | 25%                      | 15%               | During the period from 2015 to 2017, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 5  | Huinan CIMC Building Materials Co., Ltd.                | 25%                      | 15%               | During the period from 2016 to 2018, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 6  | Dalian CIMC Logistics Engineering Co., Ltd.             | 25%                      | 15%               | During the period from 2014 to 2016, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 7  | Shanghai CIMC Shipbuilding Engineering Co., Ltd.        | 25%                      | 15%               | During the period from 2014 to 2016, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 8  | Yonghui CIMC Tonghui Shipbuilding Engineering Co., Ltd. | 25%                      | 15%               | During the period from 2014 to 2016, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 9  | Zhuhai CIMC Hujing Co., Ltd.                            | 25%                      | 15%               | During the period from 2015 to 2017, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 10 | Wuhan CIMC Ruijia Engineering Co., Ltd.                 | 25%                      | 15%               | During the period from 2014 to 2016, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 11 | Liaoning CIMC Long A Engineering Co., Ltd.              | 25%                      | 15%               | During the period from 2016 to 2018, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 12 | Zhongji Gongxi CIMC Shipbuilding Engineering Co., Ltd.  | 25%                      | 15%               | During the period from 2014 to 2016, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |
| 13 | Erbe (Beijing) Construction Engineering Co., Ltd.       | 25%                      | 15%               | During the period from 2014 to 2016, the company has been recognized as a high-tech enterprise and is entitled to a 15% preferential tax rate. |

## Notes to the Financial Statements

For the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

### III. TAXATION (CONTINUED)

#### 2. Preferential tax treatments (Continued)

|    | Name of enterprises                           | Local statutory tax rate | Preferential rate | Reasons                                                                                                             |
|----|-----------------------------------------------|--------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------|
| 14 | Shanghai Engineering Group Co., Ltd.          | 25%                      | 15%               | Company is a high-tech enterprise established in 2014 and has been recognized as a high-tech enterprise since 2014. |
| 15 | Erhai (Longgang) Engineering Co., Ltd.        | 25%                      | 15%               | Company is a high-tech enterprise established in 2015 and has been recognized as a high-tech enterprise since 2015. |
| 16 | Jingnan Hongsheng Engineering Co., Ltd.       | 25%                      | 15%               | Company is a high-tech enterprise established in 2015 and has been recognized as a high-tech enterprise since 2015. |
| 17 | Nanling CIMCT Engineering Co., Ltd.           | 25%                      | 15%               | Company is a high-tech enterprise established in 2015 and has been recognized as a high-tech enterprise since 2015. |
| 18 | Lingnan CIMCHongsheng Engineering Co., Ltd.   | 25%                      | 15%               | Company is a high-tech enterprise established in 2015 and has been recognized as a high-tech enterprise since 2015. |
| 19 | Nanling CIMC Engineering Co., Ltd.            | 25%                      | 15%               | Company is a high-tech enterprise established in 2014 and has been recognized as a high-tech enterprise since 2014. |
| 20 | Zhennan Hongsheng Engineering Co., Ltd.       | 25%                      | 15%               | Company is a high-tech enterprise established in 2016 and has been recognized as a high-tech enterprise since 2016. |
| 21 | Shanghai CIMCT Engineering Co., Ltd.          | 25%                      | 15%               | Company is a high-tech enterprise established in 2014 and has been recognized as a high-tech enterprise since 2014. |
| 22 | Xin'an Engineering Co., Ltd.                  | 25%                      | 15%               | Company is a high-tech enterprise established in 2015 and has been recognized as a high-tech enterprise since 2015. |
| 23 | Shanghai CIMCT Engineering Co., Ltd.          | 25%                      | 15%               | Company is a high-tech enterprise established in 2016 and has been recognized as a high-tech enterprise since 2016. |
| 24 | Shanghai CIMC Hongsheng Engineering Co., Ltd. | 25%                      | 15%               | Company is a high-tech enterprise established in 2014 and has been recognized as a high-tech enterprise since 2014. |

# Notes to the Financial Statements

135

Financial Statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is for reference only)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Refer to Note VI.1 and IV.13 for details of the consolidated financial statements.

### 1. Cash at bank and on hand

|                        | 30 June<br>2017 | 31 December<br>2016 |
|------------------------|-----------------|---------------------|
| Cash at hand           | 155,947         | 157,493             |
| Bank deposits          | 5,171,582       | 5,711,162           |
| Other cash equivalents | 409,573         | 457,343             |
| Total                  | 5,737,102       | 6,325,998           |
| Impairment loss        | 2,516,745       | 1,938,284           |

As at 30 June 2017, the cash at hand and bank deposits were RMB816,845,000 (31 December 2016: RMB987,257,000). Refer to Note IV.24 for details.

As at 30 June 2017, the cash at hand and bank deposits were RMB404,982,000 (31 December 2016: RMB504,795,000). The cash at hand and bank deposits were RMB404,982,000 (31 December 2016: RMB504,795,000). The cash at hand and bank deposits were RMB404,982,000 (31 December 2016: RMB504,795,000).

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017

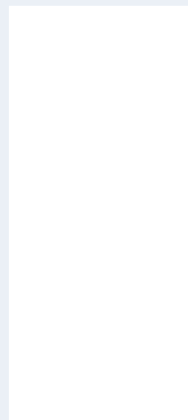
(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 2. Financial assets at fair value through profit or loss

##### (1) Classification



# Notes to the Financial Statements

137

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise stated)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 2. Financial assets at fair value through profit or loss (Continued)

(3) The equity instruments held for trading are securities listed on the Stock Exchange of Hong Kong Limited and Singapore Exchange Limited, the fair value of securities is determined at the closing price of the Stock Exchange of Hong Kong Limited, Shanghai Stock Exchange and Singapore Exchange Limited on the last trading day of the period.

### (4) Forward foreign exchange contracts

As at 30 June 2017, the Group has entered into forward foreign exchange contracts in US dollars, Japanese yen, British pound sterling and Euro. The forward foreign exchange contracts are entered into in US dollars (USD) and British pound sterling. The forward foreign exchange contracts are entered into in US dollars and British pound sterling.

### (5) Currency swap contracts

As at 30 June 2017, the Group has entered into 5 forward foreign exchange contracts in US dollars and yen (RMB). The forward foreign exchange contracts are entered into in US dollars and yen (RMB). The forward foreign exchange contracts are entered into in US dollars and yen (RMB).

### (6) Interest swap contracts

As at 30 June 2017, the Group has entered into 19 forward foreign exchange contracts in US dollars, h

## Notes to the Financial Statements

For the period from 1 January to 30 June 2017  
 (All amounts in RMB'000 unless otherwise specified)  
 (English Text and Chinese Text are Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 3. Notes receivable

## (1) Classification of Notes receivable

|                        | 30 June<br>2017 | 31 December<br>2016 |
|------------------------|-----------------|---------------------|
| Bank deposits and cash |                 |                     |

# Notes to the Financial Statements

139

Financial statements for the period from January 1 to June 30, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text is for reference only)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Accounts receivable

(1) Accounts receivable analysed by customer categories is as follows:

|                                       | 30 June<br>2017 | 31 March<br>2016 |
|---------------------------------------|-----------------|------------------|
| China                                 | 6,265,003       | 2,540,433        |
| Tier 1                                | 3,278,726       | 2,396,644        |
| Bank of China                         | 3,304,160       | 3,220,025        |
| Other banks                           | 587,228         | 244,655          |
| Accounts receivable                   | 966,932         | 1,255,195        |
| Long-term receivables                 | 1,160,930       | 1,159,172        |
| Other                                 | 802,413         | 769,250          |
| Other                                 | 652,359         | 569,937          |
| Subtotal                              | 17,017,751      | 12,155,311       |
| Less: Allowance for doubtful accounts | (646,733)       | (629,236)        |
| Total                                 | 16,371,018      | 11,526,075       |

(2) The aging analysis of account receivables is as follows:

|                                       | 30 June<br>2017 | 31 March<br>2016 |
|---------------------------------------|-----------------|------------------|
| Within 1 year                         | 15,142,027      | 10,329,997       |
| 1-2 years                             | 1,029,918       | 989,469          |
| 2-3 years                             | 532,145         | 548,922          |
| Over 3 years                          | 313,661         | 286,923          |
| Subtotal                              | 17,017,751      | 12,155,311       |
| Less: Allowance for doubtful accounts | (646,733)       | (629,236)        |
| Total                                 | 16,371,018      | 11,526,075       |

As at 30 June 2017 and 31 March 2016, the Group has no receivables that are past due.

The Group's policy is to provide credit facilities to its customers.

Filing Date: March 30, 2017  
(All rights reserved)  
(English version only)

#### 4. Accounts receivable (Continued)

(3) Accounts receivable analysed by categories is as follows:

|                   | 30 June 2017     |                    |                              |             | 31 March 2016    |                    |                              |             |
|-------------------|------------------|--------------------|------------------------------|-------------|------------------|--------------------|------------------------------|-------------|
|                   | Book balance     |                    | Provision for doubtful debts |             | Book balance     |                    | Provision for doubtful debts |             |
|                   | Amount           | % of total balance | Amount                       | Ratio(%)    | Amount           | % of total balance | Amount                       | Ratio(%)    |
| Trade receivables | 1,234,567        | 85.2               | 123,456                      | 10.0        | 987,654          | 82.1               | 98,765                       | 10.0        |
| Other receivables | 210,987          | 14.8               | 21,099                       | 10.0        | 178,901          | 14.9               | 17,890                       | 10.0        |
| <b>Total</b>      | <b>1,445,554</b> | <b>100.0</b>       | <b>144,555</b>               | <b>10.0</b> | <b>1,166,555</b> | <b>100.0</b>       | <b>116,655</b>               | <b>10.0</b> |

## Notes to the Financial Statements

141

Financial Statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is in Chinese and Chinese Text is in English)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 4. Accounts receivable (Continued)

- (4) As at 30 June 2017, accounts receivable with amounts that are individually significant and that the related provision for doubtful debts is set aside on the individual basis:

|                         | Book balance | Provision for doubtful debts | Ratio(%) | Reason                                     |
|-------------------------|--------------|------------------------------|----------|--------------------------------------------|
| China Merchants Bank    | 1,386,730    | 51,251                       | 3.70%    |                                            |
| Tire Industry Group     | 737,225      | 51,706                       | 7.01%    |                                            |
| Bank of China & Fintech | 385,942      | 22,020                       | 5.71%    | Paid for the purchase of the bank's shares |
| China Merchants Bank    | 432,394      | 18,017                       | 4.17%    | China Merchants Bank's shares              |
| Overseas Engineering    | 569,783      | 125                          | 0.02%    | Overseas Engineering's shares              |
| Alibaba Group           | 282,847      | 4,661                        | 1.65%    |                                            |
| Logistics Group         | 121,724      | 2,731                        | 2.24%    |                                            |
| Other                   | 120,209      | 579                          | 0.48%    |                                            |
| Total                   | 4,036,854    | 151,090                      | 3.74%    |                                            |

- (5) As at 30 June 2017, accounts receivable with amounts that are not individually significant but that the related provision for doubtful debts is set aside on the individual basis:

|                      | Book balance | Provision for doubtful debts | Ratio(%) | Reason                                     |
|----------------------|--------------|------------------------------|----------|--------------------------------------------|
| China Merchants Bank | 68,505       | 5,294                        | 7.73%    |                                            |
| Tire Industry Group  | 285,271      | 49,105                       | 17.21%   | Paid for the purchase of the bank's shares |
| Overseas Engineering | 17,445       | 2,250                        | 12.90%   | Overseas Engineering's shares              |
| Logistics Group      | 28,999       | 1,087                        | 3.75%    | Logistics Group's shares                   |
| Alibaba Group        | 6,928        | 590                          | 8.52%    | Alibaba Group's shares                     |
| Other                | 80,423       | 4,912                        | 6.11%    |                                            |
| Total                | 487,571      | 63,238                       | 12.97%   |                                            |

## Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017  
 (All amounts in RMB'000 unless otherwise specified)  
 (English Text and Chinese Text are Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 4. Accounts receivable (Continued)

(6) The aging analysis of provision for doubtful debts collectively assessed:

|               | 30 June 2017              |                                           |           | 31 December 2016          |                                           |           |
|---------------|---------------------------|-------------------------------------------|-----------|---------------------------|-------------------------------------------|-----------|
|               | Book<br>balance<br>Amount | Provision for<br>doubtful debts<br>Amount | Ratio (%) | Book<br>balance<br>Amount | Provision for<br>doubtful debts<br>Amount | Ratio (%) |
| Within 1 year | 11,361,722                | 103,698                                   | 0.91%     | 7,386,617                 | 77,585                                    | 1.05%     |
| 1 to 2 years  | 575,783                   | 28,053                                    | 4.87%     | 604,679                   | 59,829                                    | 9.89%     |
| 2 to 3 years  | 330,333                   | 189,392                                   | 57.33%    | 368,380                   | 151,792                                   | 41.21%    |
| Over 3 years  | 225,488                   | 111,262                                   | 49.34%    | 208,653                   | 134,284                                   |           |

# Notes to the Financial Statements

143

Financial statements for the period ended 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text is the authoritative version)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Accounts receivable (Continued)

#### (10) Accounts receivable from related parties:

As at 30 June 2017, the Group's accounts receivable from related parties amounted to RMB218,804,000 (31 December 2016: 254,396,000), of which 1.29% (31 December 2016: 2.09%) are overdue.

| Counterparty                                          | Relationship         | 30 June 2017 |           |                              | 31 December 2016 |           |                              |
|-------------------------------------------------------|----------------------|--------------|-----------|------------------------------|------------------|-----------|------------------------------|
|                                                       |                      | Amount       | Ratio (%) | Provision for doubtful debts | Amount           | Ratio (%) | Provision for doubtful debts |
| Ningbo Chongqing Ningbo International Trade Co., Ltd. | Associate            | 75,420       | 0.44%     | -                            | 78,389           | 0.64%     | -                            |
| Shanghai Daxin C&C Technology Co., Ltd.               | Minority shareholder | 60,476       | 0.36%     | -                            | 27,987           | 0.23%     | -                            |
| Florida Marine Logistics (FML)                        | Subsidiary           | 38,523       | 0.23%     | -                            | 7,311            | 0.06%     | -                            |
| Florida China Marine Logistics                        | Subsidiary           | 12,419       | 0.07%     | -                            | -                | 0.00%     | -                            |
| Guangdong S.A. (Guangdong)                            | Minority shareholder | 8,142        | 0.05%     | -                            | 8,183            | 0.07%     | -                            |
| SUMITOMO CORPORATION                                  | Minority shareholder | 7,631        | 0.04%     | -                            | 56,538           | 0.46%     | -                            |
| NYK Line                                              | Joint venture        | 4,473        | 0.03%     | -                            | 5,795            | 0.05%     | -                            |
| China Shipping Lines (Shanghai) Co., Ltd.             | Subsidiary           | 4,180        | 0.02%     | -                            | -                | 0.00%     | -                            |
| Donghai (Lianyungang) Co., Ltd. (Donghai Lianyungang) | Subsidiary           | 1,879        | 0.01%     | -                            | 27,650           | 0.23%     | -                            |
| Guangdong Marine Logistics                            | Minority shareholder | 1,709        | 0.01%     | -                            | 1,610            | 0.01%     | -                            |
| Xinhua Water                                          | Associate            | 1,154        | 0.01%     | -                            | 1,154            | 0.01%     | -                            |
| Others                                                |                      | 2,798        | 0.02%     | -                            | 39,779           | 0.33%     | -                            |
| Total                                                 |                      | 218,804      | 1.29%     | -                            | 254,396          | 2.09%     | -                            |

## Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 4. Accounts receivable (Continued)

## (11) Accounts receivable derecognised due to transfer of financial assets

As at 30 June 2017, the Group has no accounts receivable transferred to special purpose vehicles (SPVs) (31 December 2016: Nil).

## (12) Amount of assets and liabilities recognised due to the continuing involvement of securities accounts receivable

The Group has no continuing involvement in accounts receivable as at 30 June 2017 or 31 December 2016.

## (13) As at 30 June 2017, the Group has no restricted accounts receivable (31 December 2016: Nil).

## 5. Other receivables

## (1) Other receivables analysed by categories are as follows:

|                                                                          | 30 June<br>2017 | 31 December<br>2016 |
|--------------------------------------------------------------------------|-----------------|---------------------|
| Accounts receivable transferred to SPVs                                  | 550,077         | 873,585             |
| Accounts receivable transferred to special purpose vehicles (SPVs)       | 4,265,196       | 4,020,057           |
| Accounts receivable transferred to special purpose vehicles (SPVs) ( )   | 1,658,985       | 1,658,985           |
| Accounts receivable transferred to special purpose vehicles (SPVs) ( )   | 473,022         | 1,011,616           |
| Accounts receivable transferred to special purpose vehicles (SPVs) ( )   | 1,020,166       | 999,926             |
| Accounts receivable transferred to special purpose vehicles (SPVs)       | 28,613          | 572,258             |
| Accounts receivable transferred to special purpose vehicles (SPVs)       | 823,600         | 663,995             |
| Accounts receivable transferred to special purpose vehicles (SPVs)       | 234,831         | 167,099             |
| Accounts receivable transferred to special purpose vehicles (SPVs)       | 900,111         | 960,805             |
| Sub-total                                                                | 9,954,601       | 10,928,326          |
| Less: Accounts receivable transferred to special purpose vehicles (SPVs) | (1,710,625)     | (1,580,439)         |
| Total                                                                    | 8,243,976       | 9,347,887           |

## Notes to the Financial Statements

145

File name: 11J n 30 Jan 2017  
(All in nRMB'000)  
(English T r l n R n Onl)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 5. Other receivables (Continued)

(1) Other receivables analysed by categories are as follows: (Continued)

[illegible]

D. ng 4 5 n h l, 2016, 4 5 1,000,000,000 4 5 SOE 5 n l 4 5 n h n b b n 5 SOE 4 5 5 n l 4 5 n m. 4 5 31 4 5 2017, 4 5 4 5 4 5 SOE 4 5 4 5 1,480,351,000. B 5 4 5 n, 4 5 n l 4 5, E 4 5 h 4 5 n l 4 5 4 5 4 5 178,634,000 n 1,184,281,000. 4 5 4 5 4 5 4 5 n SOE h l, 4 5 1,362,915,000 ng 4 5 31 4 5 2016.

[illegible]

F. 30 J. 2017, RMB105,549,000, SOE. 30 J. 2017, RMB178,634,000 n 1,289,830,000, SOE.

( ) Ha b t ng m n l n d h b n b t ng t d F n C r n h n m n t , 135,488,000 n k . m J | 3 J | 5 2017;

( )  $\begin{array}{c} \text{A} \\ \text{B} \end{array} \begin{array}{c} \text{C} \\ \text{D} \end{array} \begin{array}{c} \text{E} \\ \text{F} \end{array} \begin{array}{c} \text{G} \\ \text{H} \end{array} \begin{array}{c} \text{I} \\ \text{J} \end{array} \begin{array}{c} \text{K} \\ \text{L} \end{array} \begin{array}{c} \text{M} \\ \text{N} \end{array} \begin{array}{c} \text{O} \\ \text{P} \end{array} \begin{array}{c} \text{Q} \\ \text{R} \end{array} \begin{array}{c} \text{S} \\ \text{T} \end{array} \begin{array}{c} \text{U} \\ \text{V} \end{array} \begin{array}{c} \text{W} \\ \text{X} \end{array} \begin{array}{c} \text{Y} \\ \text{Z} \end{array}$

(2) Aging analysis of other receivables is as follows:

|                | 30 June 2017 | 31 March 2016 |
|----------------|--------------|---------------|
| W h n 1 (m l ) | 9,174,370    | 9,667,565     |
| 1 2 (m l )     | 558,934      | 999,143       |
| 2 3 (m l )     | 31,344       | 95,819        |
| Q 3            | 189,953      | 165,799       |
| S b l          | 9,954,601    | 10,928,326    |
| at : l n b b   | (1,710,625)  | (1,580,439)   |
| T l            | 8,243,976    | 9,347,887     |

Th gng ㄊㄥ ㄍㄨㄥˊ l ㄌ ㄌㄢˊ h ㄏ ㄏㄠˊ , b ㄅ ㄅㄠˊ gng ㄍㄨㄥˊ .

At 30 June 2017, the 31 December 2016, the Group has not had any significant changes in the number of shares (31 December 2016: Nil).

Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

(3) Other receivables analysed by categories are as follows:

|                                                                                      | Note | 30 June 2017 |                    |                              |           | 31 March 2016 |                    |                              |           |
|--------------------------------------------------------------------------------------|------|--------------|--------------------|------------------------------|-----------|---------------|--------------------|------------------------------|-----------|
|                                                                                      |      | Book balance |                    | Provision for doubtful debts |           | Book balance  |                    | Provision for doubtful debts |           |
|                                                                                      |      | Amount       | % of total balance | Amount                       | Ratio (%) | Amount        | % of total balance | Amount                       | Ratio (%) |
| Other receivables, including receivables from related parties, and other receivables | (4)  | 8,234,184    | 82.72%             | 1,604,552                    | 19.49%    | 9,379,989     | 85.83%             | 1,503,143                    | 16.02%    |
| Other receivables, including receivables from related parties, and other receivables |      | 1,720,417    | 17.28%             | 106,073                      |           | 106,073       |                    |                              |           |

[illegible]

## Notes to the Financial Statements

Financial statements for the period from January 1 to June 30, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 5. Other receivables (Continued)

- (8) Other receivables from shareholders holding more than 5% (including 5%) of the voting rights of the Company are analysed as follows:

As at 30 June 2017 and 31 December 2016, other receivables from shareholders holding more than 5% (including 5%) of the voting rights of the Company are analysed as follows:

- (9) As at 30 June 2017, other receivables from related parties are analysed as follows:

| Counterparty                              | Relationship | 30 June 2017 |         |                    |                              | 31 December 2016 |         |                    |                              |
|-------------------------------------------|--------------|--------------|---------|--------------------|------------------------------|------------------|---------|--------------------|------------------------------|
|                                           |              | Amount       | Nature  | % of total balance | Provision for doubtful debts | Amount           | Nature  | % of total balance | Provision for doubtful debts |
| RNYA Limited                              | Associate    | 503,568      | Funding | 5.06%              | -                            | 824,391          | Funding | 7.54%              | -                            |
| China Merchants Ship Management Co., Ltd. | Subsidiary   |              |         |                    |                              |                  |         |                    |                              |

# Notes to the Financial Statements

149

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text is for reference only)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Prepaid expenses (Continued)

(2) Aging analysis of prepaid expenses is as follows:

|                                           | 30 June 2017 |                    | 31 December 2016 |                    |
|-------------------------------------------|--------------|--------------------|------------------|--------------------|
|                                           | Amount       | % of total balance | Amount           | % of total balance |
| Within 1 year (in RMB)                    | 1,562,745    | 59.50%             | 1,201,088        | 50.19%             |
| 1-2 years (in RMB)                        | 164,197      | 6.25%              | 285,595          | 11.94%             |
| 2-3 years (in RMB)                        | 272,648      | 10.38%             | 619,004          | 25.87%             |
| Over 3 years                              | 627,072      | 23.87%             | 287,262          | 12.00%             |
| Sub-total                                 | 2,626,662    | 100.00%            | 2,392,949        | 100.00%            |
| Less: Prepaid expenses due to be refunded | (233,632)    | 8.89%              | (226,967)        | 9.48%              |
| Total                                     | 2,393,030    | 91.11%             | 2,165,982        | 90.52%             |

The aging analysis is based on the terms of the contracts.

Other than the prepaid expenses due to be refunded, the prepaid expenses are non-refundable. The prepaid expenses are due to be refunded by the supplier. The prepaid expenses are due to be refunded by the supplier. The prepaid expenses are due to be refunded by the supplier.

(3) As at 30 June 2017, the five largest balances of prepaid expenses are analysed as follows, accumulated by arrearage parties:

|            | Amount  | % of total balance |
|------------|---------|--------------------|
| Supplier A | 968,260 | 36.86%             |

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 6. Prepaid expenses (Continued)

- (4) The condition of the companies whose shareholders hold 5% (including 5%) or more of the voting shares of the Company in the prepayments at the end of the year

# Notes to the Financial Statements

151

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Inventories

(1) Inventories are summarised by categories as follows:

|                           | 30 June 2017 |                                                   |                | 31 December 2016 |                                                   |                |
|---------------------------|--------------|---------------------------------------------------|----------------|------------------|---------------------------------------------------|----------------|
|                           | Book balance | Provision for decline in the value of inventories | Net book Value | Book balance     | Provision for decline in the value of inventories | Net book Value |
| Raw materials             | 3,705,526    | (168,780)                                         | 3,536,746      | 3,252,604        | (163,944)                                         | 3,088,660      |
| Work in progress          | 2,569,392    | (27,821)                                          | 2,541,571      | 2,223,924        | (27,978)                                          | 2,195,946      |
| Finished goods            | 4,109,445    | (112,544)                                         | 3,996,901      | 3,713,285        | (125,107)                                         | 3,588,178      |
| Contract work in progress | 212,003      | (242)                                             | 211,761        | 113,302          | (242)                                             | 113,060        |
| Supplies                  | 184,079      | (4,655)                                           | 179,424        | 213,712          | (1,538)                                           | 212,174        |
| Low value consumables     | 40,055       | (76)                                              | 39,979         | 35,951           | (72)                                              | 35,879         |
| Materials                 | 30,731       | -                                                 | 30,731         | 22,887.03        | (139,979.07)                                      | (117,091.94)   |

## Notes to the Financial Statements

For the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 7. Inventories (Continued)

(2) Analysis of book balance movement of inventories for the period is as follows:

|                        | 31 December<br>2016 | Beginning<br>balance | Ending<br>balance | 30 June<br>2017 |
|------------------------|---------------------|----------------------|-------------------|-----------------|
| Raw materials          | 3,252,604           | 22,385,554           | (21,932,632)      | 3,705,526       |
| Work in progress       | 2,223,924           | 17,436,459           | (17,090,991)      | 2,569,392       |
| Finished goods         | 3,713,285           | 28,817,225           | (28,421,065)      | 4,109,445       |
| Construction materials | 113,302             | 1,299,933            | (1,201,232)       | 212,003         |
| Supplies               | 213,712             | 301,210              | (330,843)         | 184,079         |
| Low value consumables  | 35,951              | 136,378              | (132,274)         | 40,055          |
| Materials              | 22,887              | 50,168               | (42,324)          | 30,731          |
| Construction materials | 852,395             | 406,123              | (456,808)         | 801,710         |
| Prepaid expenses       | 1,400,761           | 240,987              | (216,151)         | 1,425,597       |
| Other receivables      | 4,658,377           | 86,687               | (26,097)          | 4,718,967       |
| Accounts receivable    | 1,241,321           | 4,110,882            | (4,498,598)       | 853,605         |
| Total                  | 17,728,519          | 75,271,606           | (74,349,015)      | 18,651,110      |

(3) Provision for decline in the value of inventories are as follows:

| Category               | 31 December<br>2016 | Beginning<br>balance | Ending<br>balance | 30 June<br>2017 |
|------------------------|---------------------|----------------------|-------------------|-----------------|
| Raw materials          | 163,944             | 40,938               | (39,065)          | 168,780         |
| Work in progress       | 27,978              | 431                  | (1,575)           | 27,821          |
| Finished goods         | 125,107             | 38,387               | (41,076)          | 112,544         |
| Construction materials | 242                 | -                    | -                 | 242             |
| Supplies               | 1,538               | -                    | (1,565)           | 4,655           |
| Low value consumables  | 72                  | 4                    | -                 | 76              |
| Other receivables      | 123                 | -                    | -                 | 121             |
| Accounts receivable    | -                   | -                    | -                 | -               |
| Total                  | 319,004             | 79,760               | (83,281)          | 314,239         |

# Notes to the Financial Statements

153

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Inventories (Continued)

#### (3) Provision for decline in the value of inventories are as follows: (Continued)

( ) The provision for decline in the value of inventories is calculated as follows:

When the provision is first recognized:

When the provision is reversed:

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 8. Assets classified as available for sale

# Notes to the Financial Statements

155

Financial Statements for the period from 1 Jan to 30 Jun 2017  
(All amounts in RMB'000) (All amounts in RMB'000)  
(English Text) (Chinese Text)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9. Current portion of non-current assets (Continued)

As at 30 Jun 2017, the balance of the long-term assets, which are non-current assets, is as follows:

## Notes to the Financial Statements

Financial statements for the period from January 1 to June 30, 2017

(All amounts in RMB'000, except for the share amounts)

(English text prevails over Chinese text in case of discrepancy)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 10. Other current assets

|                           | 30 June<br>2017 | 31 Dec<br>2016 |
|---------------------------|-----------------|----------------|
| Trade receivables / bills | 704,034         | 656,847        |
| Others                    | 15,142          | 45,631         |
| Total                     | 719,176         | 702,478        |

## 11. Available-for-sale financial assets

|                                          | 30 June<br>2017 | 31 Dec<br>2016 |
|------------------------------------------|-----------------|----------------|
| Available-for-sale financial assets      |                 |                |
| Equity investments                       | 1,761           | 2,441          |
| Fixed income investments                 | 20,000          | -              |
| Bonds                                    | 31,086          | 30,803         |
| Available-for-sale financial liabilities |                 |                |
| Equity investments                       | 411,970         | 412,240        |
| Others                                   | 10              | 307            |
| Total                                    | (3,065)         | (3,065)        |
|                                          | 461,762         | 442,726        |

- (1) Because the equity investments of these companies have no quoted price in active market and their fair value cannot be reliably measured, such investments are stated at cost less any impairment losses.

# Notes to the Financial Statements

157

Financial Statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Available-for-sale financial assets (Continued)

#### (2) Detailed information of the available-for-sale financial assets:

Available-for-sale financial assets are classified as follows:

|                                     | 30 June<br>2017 | 31 December<br>2016 |
|-------------------------------------|-----------------|---------------------|
| Available-for-sale financial assets |                 |                     |
| Financial assets                    | 1,761           | 2,441               |
| Held-to-maturity investments        | 4,582           | 4,582               |

# Notes to the Financial Statements

For the period from January 1 to June 30, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Available-for-sale financial assets (Continued)

#### (2) Detailed information of the available-for-sale financial assets: (Continued)

A. List of available-for-sale financial assets held at the end of the period:

|                                                                               | 31 March<br>2016 | Amount<br>in RMB | Amount<br>in USD | 30 June<br>2017 | Shareholding<br>ratio | Carrying<br>amount |
|-------------------------------------------------------------------------------|------------------|------------------|------------------|-----------------|-----------------------|--------------------|
| A. List of available-for-sale financial assets held at the end of the period: |                  |                  |                  |                 |                       |                    |
| 1. China United International Chemicals (Group) Co., Ltd. (CRIC)              | 380,780          | -                | -                | 380,780         | 10.00%                | 4,000              |
| 2. BOCOM Shanghai Branch (BOCOM Shanghai)                                     | 8,125            | -                | -                | 8,125           | 5.00%                 | -                  |
| 3. Shanghai Yinyuan Chemicals (Shanghai Yinyuan)                              | 1,700            | -                | -                | 1,700           | 1.01%                 | -                  |
| 4. Guangsheng Energy Engineering Co., Ltd. (Guangsheng Energy Engineering)    | 1,365            | -                | -                | 1,365           | 0.09%                 | -                  |
| 5. Dinghui Chemical Technology Co., Ltd. (Dinghui Chemical Technology)        | 270              | -                | (270)            | -               | 0.00%                 | -                  |
| 6. Zhongyuan Chemicals (Zhongyuan Chemicals)                                  | 20,000           | -                | -                | 20,000          | 2.00%                 | -                  |
| Subtotal                                                                      | 412,240          | -                | (270)            | 411,970         |                       | 4,000              |
| Payable for the above                                                         | (3,065)          | -                | -                | (3,065)         |                       | -                  |
| Total                                                                         | 409,175          | -                | (270)            | 408,905         |                       | -                  |

A. List of available-for-sale financial assets held at the end of the period: In the above table, the amounts are in RMB. The amounts in USD are calculated based on the exchange rate of RMB1:USD0.1561 as of June 30, 2017. The amounts in RMB are the carrying amounts of the available-for-sale financial assets.

# Notes to the Financial Statements

159

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise stated)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Long-term receivables

|                                                     | 30 June<br>2017                  | 31 December<br>2016              |
|-----------------------------------------------------|----------------------------------|----------------------------------|
| Financial assets, at<br>cost: Unsettled receivables | 21,106,913<br>(7,601,148)        | 21,814,831<br>(8,593,181)        |
| Financial assets, at<br>cost: Settled receivables   | 13,505,765<br>235,898<br>210,113 | 13,221,650<br>325,592<br>158,052 |
| Sub-total                                           | 13,951,776<br>(452,449)          | 13,705,294<br>(485,052)          |
| Total                                               | 13,499,327                       | 13,220,242                       |

As at 30 June 2017, the consolidated long-term receivables, at cost, are comprised of unsettled receivables and settled receivables, which are measured at 5% (2016: 5%) of the carrying amount. (31 December 2016: Nil)

The consolidated long-term receivables are measured at cost, which is the fair value less expected credit losses. The consolidated long-term receivables are measured at cost, which is the fair value less expected credit losses. The consolidated long-term receivables are measured at cost, which is the fair value less expected credit losses.

|                                                     | 30 June<br>2017                                   | 31 December<br>2016                               |
|-----------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Financial assets, at<br>cost: Unsettled receivables | 5,677,533<br>3,746,417<br>2,543,013<br>14,817,483 | 5,467,492<br>3,608,636<br>2,261,810<br>15,944,385 |
| Sub-total                                           | 26,784,446<br>(8,780,233)                         | 27,282,323<br>(9,845,686)                         |
| Total                                               | 18,004,213                                        | 17,436,637                                        |

As at 30 June 2017, the consolidated long-term receivables, at cost, are comprised of unsettled receivables and settled receivables, which are measured at 5% (2016: 5%) of the carrying amount. (31 December 2016: Nil).

Notes to the Financial Statements

For the period from January 1 to June 30, 2017  
(All figures in RMB'000 except for the figures in parentheses)  
(English Text and Chinese Text are Original)

IV.

# Notes to the Financial Statements

161

Financial statements for the period from January 1 to June 30, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text is for reference only)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13. Long-term equity investments

#### (1) Classification of long-term equity investments:

|                             |     | 30 June<br>2017 | 31 March<br>2016 |
|-----------------------------|-----|-----------------|------------------|
| Jointly controlled entities | (2) | 512,490         | 500,501          |
| Associates                  | (3) | 1,736,940       | 1,661,718        |
|                             |     | 2,249,430       | 2,162,219        |
| Less: impairment losses     |     | (2)             | (2)              |
| Total                       |     | 2,249,428       | 2,162,217        |

The above long-term equity investments are classified as long-term assets.

Long-term equity investments are classified as long-term assets when the company has the ability to exercise control over the investee.

## Notes to the Financial Statements

For the year ended 31 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 13. Long-term equity investments (Continued)

## (2) Long-term equity investments in joint ventures:

|                                                             | Movement in the year |                                      |                         |                                     |                 |                      | 30 June 2017 | Particulars |
|-------------------------------------------------------------|----------------------|--------------------------------------|-------------------------|-------------------------------------|-----------------|----------------------|--------------|-------------|
|                                                             | 31 December 2016     | Balance at the beginning of the year | Share of profit or loss | Share of other comprehensive income | Dividend income | Change in fair value |              |             |
| Long-term equity investments in CIMC Limited                |                      |                                      |                         |                                     |                 |                      |              |             |
| Equity investment in CIMC Limited                           | 36,294               | -                                    | 3,345                   | -                                   | -               | -                    | 39,639       | -           |
| Share of profit (Shareholding) in                           |                      |                                      |                         |                                     |                 |                      |              |             |
| Equity investment in                                        | 2,171                | -                                    | (295)                   | -                                   | -               | -                    | 1,876        | -           |
| Shareholding in                                             |                      |                                      |                         |                                     |                 |                      |              |             |
| Partnership                                                 | 11,340               | -                                    | -                       | -                                   | -               | (338)                | 11,002       | -           |
| NYK Zhenhai Investment (Tianjin) Limited                    | 75,432               | -                                    | 823                     | -                                   | (4,753)         | -                    | 71,502       | -           |
| Kunming Zhenhai Investment (Tianjin) Limited                | 22,330               | -                                    | 1,417                   | -                                   | -               | -                    | 23,747       | -           |
| Qingdao Zhenhai Investment (Tianjin) Limited                | 14,531               | -                                    | 1,476                   | -                                   | -               | (433)                | 15,574       | -           |
| Dalian Jilong & B J Investment Limited                      | 5,678                | -                                    | 397                     | -                                   | (1,000)         | (169)                | 4,906        | -           |
| Shareholding in B J Investment (Tianjin) Limited            | 23,888               | -                                    | 2,045                   | -                                   | -               | (711)                | 25,222       | -           |
| Tianjin Jilong & B J Investment (Tianjin) Limited           | 7,933                | -                                    | 1,087                   | -                                   | -               | (236)                | 8,784        | -           |
| Y&C Engineering Limited                                     | 195,777              | -                                    | 6,149                   | -                                   | -               | -                    | 201,926      | -           |
| Shareholding in CIMC Marine Equipment Limited               | 1,630                | -                                    | (1,015)                 | -                                   | -               | -                    | 615          | -           |
| Ningbo Zhenhai Investment (Tianjin) Limited                 |                      |                                      |                         |                                     |                 |                      |              |             |
| Shareholding in Ningbo Zhenhai Investment (Tianjin) Limited | 50,100               | 3,000                                | -                       | -                                   | -               | -                    | 53,100       | -           |
| Honghai Yantai Investment (Tianjin) Limited                 | 20,100               | 1,200                                | -                       | -                                   | -               | -                    | 21,300       | -           |
| Shareholding in Shengyu                                     | 33,287               | -                                    | -                       | -                                   | -               | -                    | 33,287       | -           |
| Honghai Xian Investment (Tianjin) Limited                   | 10                   | -                                    | -                       | -                                   | -               | -                    | 10           | -           |
| Total                                                       | 500,501              | 4,200                                | 15,429                  | -                                   | (5,753)         | (1,887)              | 512,490      | -           |

附注 VI.2 长期股权投资

# Notes to the Financial Statements

163

For the period from January 1 to June 30, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is the Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13. Long-term equity investments (Continued)

#### (3) Long-term equity investments in associates:

| Movement in the balance sheet                              |             |                      |                                     |                    |                      |                                                         |                                             |       |              |                    |  |
|------------------------------------------------------------|-------------|----------------------|-------------------------------------|--------------------|----------------------|---------------------------------------------------------|---------------------------------------------|-------|--------------|--------------------|--|
|                                                            | 31 Dec 2016 | Share of profit/loss | Share of other comprehensive income | Share of dividends | Change in fair value | Change in fair value through other comprehensive income | Change in fair value through profit or loss | Other | 30 June 2017 | P. & A. in million |  |
| Xinrong Wenhua Hong Kong Co., Ltd.                         | 7,071       | -                    | -                                   | -                  | -                    | -                                                       | -                                           | -     | 7,071        | -                  |  |
| Ningbo Lin Daqiang Chemical Co., Ltd.                      | 1,200       | -                    | -                                   | -                  | -                    | -                                                       | -                                           | -     | 1,200        | -                  |  |
| Xinrong CIMCH Chemical Co., Ltd.                           | 23,350      | -                    | 1,505                               | -                  | -                    | -                                                       | -                                           | -     | 24,855       | -                  |  |
| Dalian Jilong Logistics Co., Ltd.                          | 47,615      | -                    | 529                                 | -                  | -                    | -                                                       | -                                           | -     | 48,144       | -                  |  |
| Shanghai Jinyuan Chemical Co., Ltd.                        | 45,684      | -                    | 790                                 | -                  | -                    | -                                                       | -                                           | -     | 46,474       | -                  |  |
| E.ON Energy Co., Ltd.                                      | 8,374       | -                    | 389                                 | -                  | -                    | -                                                       | -                                           | -     | 8,763        | -                  |  |
| Shanghai Energy Co., Ltd.                                  | 104,191     | -                    | -                                   | -                  | -                    | -                                                       | -                                           | -     | 104,191      | -                  |  |
| TSC                                                        | 212,905     | -                    | -                                   | -                  | -                    | (6,338)                                                 | -                                           | -     | 206,567      | -                  |  |
| M. S. & C. Co., Ltd.                                       | 2           | -                    | -                                   | -                  | -                    | -                                                       | -                                           | -     | 2            | (2)                |  |
| Tianjin Shengli Chemical Co., Ltd.                         | 1,900       | -                    | 75                                  | -                  | -                    | -                                                       | -                                           | -     | 1,975        | -                  |  |
| LH Group Co., Ltd. (LH Group)                              | 102,176     | -                    | 2,832                               | -                  | -                    | -                                                       | -                                           | -     | 105,008      | -                  |  |
| Jingji Chemical Co., Ltd.                                  | 28,123      | -                    | -                                   | -                  | -                    | -                                                       | -                                           | -     | 28,123       | -                  |  |
| Jin Erke Chemical Co., Ltd.                                | 2,608       | -                    | (1,225)                             | -                  | -                    | -                                                       | -                                           | -     | 1,383        | -                  |  |
| O. H. (Shanghai) Co., Ltd.                                 | 16,589      | -                    | (81)                                | -                  | -                    | -                                                       | -                                           | -     | 16,508       | -                  |  |
| Xinrong CIMCH Co., Ltd.                                    | 27,519      | -                    | 302                                 | -                  | -                    | -                                                       | -                                           | -     | 27,821       | -                  |  |
| Tianjin S. D. Chemical Co., Ltd.                           | 30,436      | -                    | (2,316)                             | -                  | -                    | -                                                       | -                                           | -     | 28,120       | -                  |  |
| Qingdao Petrochemical Co., Ltd.                            | 43,400      | -                    | 1,246                               | -                  | -                    | -                                                       | -                                           | -     | 44,646       | -                  |  |
| ZPMC Chemical Co., Ltd.                                    | 14,567      | -                    | (14,567)                            | -                  | -                    | -                                                       | -                                           | -     | -            | -                  |  |
| Tianjin Shengli Chemical Co., Ltd. & E.ON Energy Co., Ltd. | 21,110      | -                    | -                                   | -                  | -                    | -                                                       | -                                           | -     | 21,110       | -                  |  |
| J. H. Sheng Chemical Co., Ltd. (J. H. Sheng)               | 126,454     | -                    | -                                   | -                  | -                    | (2,966)                                                 | -                                           | -     | 123,488      | -                  |  |
| Xinrong Chemical Co., Ltd.                                 | 688         | -                    | 150                                 | -                  | -                    | -                                                       | -                                           | -     | 838          | -                  |  |

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 13. Long-term equity investments (Continued)

##### (3) Long-term equity investments in associates: (Continued)

# Notes to the Financial Statements

165

Financial statements for the period from January 1 to June 30, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is in Chinese and Chinese Text is in English)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13. Long-term equity investments (Continued)

#### (3) Long-term equity investments in associates: (Continued)

|                                                                | Movement in long-term equity investments |                    |                         |                                     |                      |                      |                      | 30 June 2017 | P. 165 |
|----------------------------------------------------------------|------------------------------------------|--------------------|-------------------------|-------------------------------------|----------------------|----------------------|----------------------|--------------|--------|
|                                                                | 31 Dec 2016                              | Initial investment | Share of profit or loss | Share of other comprehensive income | Change in fair value | Change in fair value | Change in fair value |              |        |
| Shanghai International Maritime Logistics Co., Ltd.            | 117,775                                  |                    | (2,633)                 |                                     |                      |                      |                      | 115,142      |        |
| CIMC Shipping Co., Ltd.                                        | 3,000                                    | (3,000)            |                         |                                     |                      |                      |                      | -            |        |
| Mei Sheng (Shanghai) International Trade Co., Ltd. (Mei Sheng) | 851                                      |                    | (68)                    |                                     |                      |                      |                      | 783          |        |
| Shanghai Xinbei Qianhai Co., Ltd.                              |                                          | 16,000             | 428                     |                                     |                      |                      |                      | 16,428       |        |
| Shanghai S.C. (SKEYC)                                          |                                          | 2,750              |                         |                                     |                      |                      |                      | 2,750        |        |
| Shanghai International Logistics Co., Ltd.                     |                                          | 30,539             |                         |                                     |                      |                      |                      | 30,539       |        |
| Xinbei Logistics Co., Ltd.                                     |                                          | 1,750              |                         |                                     |                      |                      |                      | 1,750        |        |
| CELAS                                                          |                                          | 18,605             |                         |                                     |                      |                      |                      | 18,605       |        |
| Total                                                          | 1,661,718                                | 68,121             | (12,891)                |                                     |                      | 19,992               |                      | 1,736,940    | (2)    |

Refer to Note VI.2 for details.

The Group's long-term equity investments include TSC, LH, EAG, J, R, O, (Shanghai), ZPMC, C, H, Zhong Xing, and others. The Group's long-term equity investments in associates are 20%. The Group's long-term equity investments in associates are 20%.

As of 30 June 2017, the Group's long-term equity investments in associates are 20%. The Group's long-term equity investments in associates are 20%.

## Notes to the Financial Statements

For the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 14. Investment properties

|                                     | Buildings and<br>relevant land<br>use rights | Land use<br>rights | Total            |
|-------------------------------------|----------------------------------------------|--------------------|------------------|
| January 1, 2016                     | 730,168                                      | -                  | 730,168          |
| Acquisition                         | 78,176                                       | -                  | 78,176           |
| Change in ownership                 | 75,792                                       | -                  | 75,792           |
| Transfer to investment properties   | 131,859                                      | -                  | 131,859          |
| Transfer from investment properties | 46,843                                       | 130,551            | 177,394          |
| Transfer to other assets            | 786                                          | -                  | 786              |
| Disposal of investment properties   | 102,062                                      | 482,772            | 584,834          |
| Transfer to other assets            | (26,401)                                     | -                  | (26,401)         |
| Transfer to other assets            | -                                            | -                  | -                |
| December 31, 2016                   | 1,139,285                                    | 613,323            | 1,752,608        |
| January 1, 2017                     | <b>1,139,285</b>                             | <b>613,323</b>     | <b>1,752,608</b> |
| Acquisition                         | -                                            | -                  | -                |
| Change in ownership                 | -                                            | -                  | -                |
| Transfer to investment properties   | -                                            | -                  | -                |
| Transfer from investment properties | -                                            | -                  | -                |
| Transfer to other assets            | <b>1,287</b>                                 | -                  | <b>1,287</b>     |
| Disposal of investment properties   | -                                            | -                  | -                |
| Transfer to other assets            | -                                            | -                  | -                |
| Transfer to other assets            | <b>(17,704)</b>                              | <b>(17,685)</b>    | <b>(35,389)</b>  |
| Change in ownership                 | <b>3,559</b>                                 | -                  | <b>3,559</b>     |
| December 31, 2017                   | <b>1,126,427</b>                             | <b>595,638</b>     | <b>1,722,065</b> |

In the above table, the amounts are in thousands of RMB (For the period from January 1 to December 31, 2016: N I).

The above table shows the amounts of investment properties in the consolidated financial statements. The amounts are in thousands of RMB (For the period from January 1 to December 31, 2016: N I).

In the above table, the amounts are in thousands of RMB (For the period from January 1 to December 31, 2016: N I).

At December 31, 2017, the carrying amount of investment properties was 156,697,000 (December 31, 2016: 113,196,000).

# Notes to the Financial Statements

167

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Fixed assets

#### (1) Fixed assets

|                              | Plants and<br>buildings | Machinery<br>and<br>equipment | Office<br>& other<br>equipment | Motor<br>vehicles | Offshore<br>engineering<br>equipment | Dock,<br>wharf | Total         |
|------------------------------|-------------------------|-------------------------------|--------------------------------|-------------------|--------------------------------------|----------------|---------------|
| Original value               |                         |                               |                                |                   |                                      |                |               |
| 31 December 2016             | 10,676,684              | 10,112,067                    | 1,981,991                      | 1,045,215         | 6,783,391                            | 1,262,820      | 31,862,168    |
| Accumulated depreciation     |                         |                               |                                |                   |                                      |                |               |
| At the beginning of the year | 24,321                  | 11,604                        | 7                              | 71                | -                                    | -              | 36,003        |
| Added during the year        | 58,845                  | 160,773                       | 76,355                         | 167,934           | -                                    | -              | 463,907       |
| Transferred out              | -                       | -                             | -                              | -                 | -                                    | -              | -             |
| Disposals                    | 35,997                  | 206,727                       | 159,382                        | 12,060            | -                                    | -              | 414,166       |
| At the end of the year       | 41,738                  | -                             | -                              | -                 | -                                    | -              | 41,738        |
| Impairment losses            | (86,498)                | (296,266)                     | (85,105)                       | (27,882)          | (79,025)                             | -              | (574,776)     |
| Transferred in               | -                       | -                             | -                              | -                 | -                                    | -              | -             |
| Disposals                    | -                       | -                             | -                              | -                 | -                                    | -              | -             |
| At the end of the year       | -                       | -                             | -                              | -                 | -                                    | -              | -             |
| Net book value               |                         |                               |                                |                   |                                      |                |               |
| At the beginning of the year | 13,616                  | (4,898)                       | (1,713)                        | 1,104             | (65,291)                             | (12,759)       | (69,941)      |
| 30 June 2017                 | 10,764,703              | 10,190,006                    | 2,130,917                      | 1,198,502         | 6,639,075                            | 1,250,061      | 32,173,264    |
| Original value               |                         |                               |                                |                   |                                      |                |               |
| 31 December 2016             | 2,522,207               | 4,231,582                     | 1,254,278                      | 528,237           | 686,944                              | 232,400        | 9,455,648     |
| Accumulated depreciation     |                         |                               |                                |                   |                                      |                |               |
| At the beginning of the year | 4,742                   | 5,969                         | 6                              | 60                | -                                    | -              | 10,777        |
| Added during the year        | 213,148                 | 341,224                       | 110,381                        | 90,651            | 135,213                              | 25,881         | 916,498       |
| Transferred out              | 24,034                  | -                             | -                              | -                 | -                                    | -              | 24,034        |
| Disposals                    | (54,520)                | (105,017)                     | (80,543)                       | (14,433)          | (8,436)                              | -              | (262,949)     |
| Transferred in               | -                       | -                             | -                              | -                 | -                                    | -              | -             |
| Disposals                    | -                       | -                             | -                              | -                 | -                                    | -              | -             |
| At the end of the year       | -                       | -                             | -                              | -                 | -                                    | -              | -             |
| Net book value               |                         |                               |                                |                   |                                      |                |               |
| At the beginning of the year | 5,832                   | (2,924)                       | 2,550                          | 506               | (10,729)                             | (5,593)        | 997,373,886.7 |

## Notes to the Financial Statements

Financial statements from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 15. Fixed assets (Continued)

## (1) Fixed assets (Continued)

As at 30 June 2017, the net book value of the fixed assets was 375,761,000 (original cost 525,362,000) less accumulated depreciation 149,597,000 (31 December 2016: 398,144,000 (original cost 525,305,000) less accumulated depreciation 149,519,000). Refer to Note IV. 24.

In the year ended 30 June 2017, the depreciation expense was 916,498,000 (for the year ended 30 June 2016: 1,056,717,000), the impairment loss was 776,825,000, 9,897,000 and 129,776,000 (for the year ended 30 June 2016: 891,935,000, 14,860,000 and 149,922,000) has been recognized in the profit and loss account.

In the year ended 30 June 2017, the net book value of the fixed assets was 414,166,000 (2016: 1,206,156,000).

- (2) As at 30 June 2017, the carrying amount of temporarily idle buildings, machinery and equipment amounts to 344,385,000 (original cost of 614,561,000) (31 December 2016: carrying amount of 207,894,000 and original cost of 415,615,004). The carrying amount of 344,385,000 is calculated as follows:

# Notes to the Financial Statements

169

Financial Statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Fixed assets (Continued)

#### (3) Fixed assets held through finance leases:

30 June 2017

31 March 2016



## Notes to the Financial Statements

For the year ended 31 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 16. Construction in progress

## (1) Construction in progress

|                                        | 30 June 2017 |                          |                 | 31 December 2016 |                          |                 |
|----------------------------------------|--------------|--------------------------|-----------------|------------------|--------------------------|-----------------|
|                                        | Book balance | Provision for impairment | Carrying amount | Book balance     | Provision for impairment | Carrying amount |
| Construction in progress               | 20,301,214   | -                        | 20,301,214      | 19,405,489       | -                        | 19,405,489      |
| Railway H273, H1284 Project            | 2,747,244    | -                        | 2,747,244       | 2,754,873        | -                        | 2,754,873       |
| Erhai Lake Water Diversion Project     | 59,202       | -                        | 59,202          | 88,101           | -                        | 88,101          |
| Changshu Water Diversion Project       | 49,146       | -                        | 49,146          | 47,633           | -                        | 47,633          |
| Yanhuang River Water Diversion Project | 37,622       | -                        | 37,622          | 30,583           | -                        | 30,583          |
| Panjiu River Water Diversion Project   | 35,382       | -                        | 35,382          | 35,218           | -                        | 35,218          |
| HJQM Water Diversion Project           | 26,477       | -                        | 26,477          | -                | -                        | -               |
| XHCIMC Water Diversion Project         | 22,418       | -                        | 22,418          | 13,079           | -                        | 13,079          |
| Donghai Water Diversion Project        | 21,129       | -                        | 21,129          | 21,129           | -                        | 21,129          |
| Qinghai CIMC Water Diversion Project   | 19,590       | -                        | 19,590          | -                | -                        | -               |
| SHYSLE Water Diversion Project         | 11,933       | -                        | 11,933          | -                | -                        | -               |
| Donghai Water Diversion Project        | 5,522        | -                        | 5,522           | 11,497           | -                        | 11,497          |
| TCCIMC Water Diversion Project         | 5,400        | -                        | 5,400           | 5,400            | -                        | 5,400           |
| Railway Water Diversion Project        | 3,128        | -                        | 3,128           | 3,080            | -                        | 3,080           |
| TJICIMC Water Diversion Project        | 1,981        | -                        | 1,981           | 1,575            | -                        | 1,575           |
| TAS Water Diversion Project            | 1,824        | -                        | 1,824           | 1,498            | -                        | 1,498           |
| XHCIMCS Water Diversion Project        | 1,506        | -                        | 1,506           | 1,506            | -                        | 1,506           |
| Water Diversion Project                | 641          | -                        | 641             | 12,033           | -                        | 12,033          |
| Others                                 | 454,939      | (1,645)                  | 453,294         | 338,916          | (2,421)                  | 336,495         |
| Total                                  | 23,806,298   | (1,645)                  | 23,804,653      | 22,771,610       | (2,421)                  | 22,769,189      |

The carrying amount of construction in progress at the end of the year was RMB1,750,963,000 (31 December 2016: RMB1,532,714,000). The weighted average cost of construction in progress was 3.18% (For the year ended 30 June 2016: 3.08%).

As at 30 June 2017, the carrying amount of construction in progress was RMB1,750,963,000 (31 December 2016: Nil).

## 16. Construction in progress (Continued)

[illegible]

## Notes to the Financial Statements

Financial statements from 1 Jan. to 30 Jun. 2017

(All figures in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

# Notes to the Financial Statements

173

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18. Intangible assets and development expenditure (Continued)

(2) As of 30 June 2017, intangible assets with pending certificates of ownership are as follows:

|                         | Carrying<br>amount in RMB | Reasons for unsettlement |
|-------------------------|---------------------------|--------------------------|
| Ningbo C&C M n g h      | 75,322                    | n a g                    |
| SCIMCEL T ng ng l n g h | 55,674                    | n a g                    |
| C&C T n g h             | 19,187                    | n a g                    |
| L ng, ng l n g h        | 8,887                     | n a g                    |
| SCIMCEL n g             | 1,787                     | n a g                    |
| T a l                   | 160,857                   |                          |

As at 30 June 2017, the intangible assets with pending certificates of ownership are as follows:

(3) As of 30 June 2017, there was no restricted intangible asset (31 December 2016: Nil).

(4) As at 30 June 2017, the intangible asset with indefinite useful lives is Gas station Franchise which amounted to 53,300,000 (31 December 2016: 53,300,000).

(5) Development expenditure is as follows:

| 31 December<br>2016 | Carrying<br>amount in RMB | 30 June<br>2017 |
|---------------------|---------------------------|-----------------|
|                     |                           |                 |

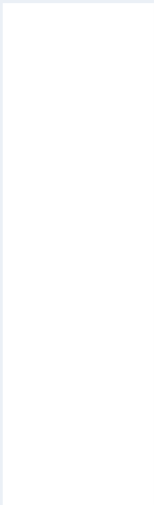
Notes to the Financial Statements

For the period from January 1 to December 31, 2017  
(All figures in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill

31 December



# Notes to the Financial Statements

175

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Long-term prepaid expenses

|                                  | 31 December<br>2016 | 2017 | 2016   | 2017     | 2017    | 30 June<br>2017 |
|----------------------------------|---------------------|------|--------|----------|---------|-----------------|
|                                  |                     |      |        |          |         |                 |
| Y                                | 9,691               |      | 223    | (1,424)  | 29      | 8,519           |
| P                                | 133,924             |      | 31,369 | (30,658) | (2,513) | 132,122         |
| Long-term prepaid expenses       | 9,439               |      | 5,372  | (2,204)  |         | 12,607          |
| Other long-term prepaid expenses |                     |      |        |          |         | -               |
| Long-term prepaid expenses       | 19,996              |      | 51,692 | (12,110) | (987)   | 58,591          |
| Other                            | 73,524              | 52   | 10,123 | (14,283) | (99)    | 69,317          |
| Subtotal                         | 246,574             | 52   | 98,779 | (60,679) | (3,570) | 281,156         |
| Long-term prepaid expenses       |                     |      |        |          |         | -               |

## Notes to the Financial Statements

Financial statements for the period ended 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 21. Deferred tax assets and deferred tax liabilities

- (1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

|                                           | 30 June 2017                                         |                                          | 31 December 2016              |                               |
|-------------------------------------------|------------------------------------------------------|------------------------------------------|-------------------------------|-------------------------------|
|                                           | Deductible/<br>(taxable)<br>temporary<br>differences | Deferred tax<br>assets/<br>(liabilities) | Debit /<br>(credit)<br>amount | Debit /<br>(credit)<br>amount |
| Deferred tax assets                       |                                                      |                                          |                               |                               |
| Preliminary losses carried forward        | 834,767                                              | 160,844                                  | 1,546,119                     | 322,474                       |
| Other deductible temporary differences    | 617,576                                              | 113,145                                  | 690,921                       | 139,994                       |
| Entirely deductible temporary differences | 1,139,847                                            | 257,745                                  | 1,273,607                     | 296,507                       |
| Other deductible temporary differences    | 120,131                                              | 26,479                                   | 493,541                       | 89,303                        |
| Total                                     | 1,791,531                                            | 306,356                                  | 1,861,895                     | 332,307                       |
| Deferred tax liabilities                  |                                                      |                                          |                               |                               |
| Accelerated depreciation                  | 7,729                                                | 1,634                                    | 27,566                        | 6,892                         |
| Other taxable temporary differences       | -                                                    | -                                        | 14,230                        | 2,134                         |
| Income tax payable                        | 29,871                                               | 7,468                                    | 18,904                        | 4,726                         |
| Other taxable temporary differences       | 2,180,446                                            | 436,088                                  | 278,319                       | 69,580                        |
| Total                                     | 6,721,898                                            | 1,309,759                                | 6,205,102                     | 1,263,917                     |
| Offsetting balances                       | (187,229)                                            | (32,843)                                 | (25,512)                      | (6,247)                       |
| Offsetting balances                       | 6,534,669                                            | 1,276,916                                | 6,179,590                     | 1,257,670                     |

# Notes to the Financial Statements

177

Financial statements for the period from 1 January to 30 June 2017  
(All amounts in RMB'000 unless otherwise stated)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 21. Deferred tax assets and deferred tax liabilities (Continued)

#### (2) Unrecognised deferred tax assets

|                                         | 30 June<br>2017 | 31 December<br>2016 |
|-----------------------------------------|-----------------|---------------------|
| Unrecognised deferred tax assets        | 1,712,996       | 1,606,035           |
| Unrecognised deferred tax assets: SOE   | 634,426         | 340,729             |
| Unrecognised deferred tax assets: Other | 22,119          | 22,119              |
| Other                                   | 3,125           | 3,125               |
| Total                                   | 2,372,666       | 1,972,008           |

#### (3) Maturity of deductible losses that are not recognised as deferred tax assets:

|                | 30 June<br>2017 | 31 December<br>2016 |
|----------------|-----------------|---------------------|
| 2017           | 1,296,480       | 1,199,243           |
| 2018           | 1,086,941       | 1,086,941           |
| 2019           | 437,892         | 340,655             |
| 2020           | 819,702         | 819,702             |
| 2021 and after | 4,149,817       | 4,149,817           |
| Total          | 7,790,832       | 7,596,358           |

Note 1: The amount of unrecognised deferred tax assets at 30 June 2017, which is expected to be recognised in the future, is RMB1,712,996,000. The amount of unrecognised deferred tax assets at 31 December 2016, which is expected to be recognised in the future, is RMB1,606,035,000. The amount of unrecognised deferred tax assets at 30 June 2017, which is expected to be recognised in the future, is RMB1,712,996,000. The amount of unrecognised deferred tax assets at 31 December 2016, which is expected to be recognised in the future, is RMB1,606,035,000.

At 30 June 2017, the Group has unrecognised deferred tax assets of RMB1,712,996,000. The amount of unrecognised deferred tax assets at 30 June 2017, which is expected to be recognised in the future, is RMB1,712,996,000. The amount of unrecognised deferred tax assets at 31 December 2016, which is expected to be recognised in the future, is RMB1,606,035,000. The amount of unrecognised deferred tax assets at 30 June 2017, which is expected to be recognised in the future, is RMB1,712,996,000. The amount of unrecognised deferred tax assets at 31 December 2016, which is expected to be recognised in the future, is RMB1,606,035,000.

The Group has unrecognised deferred tax assets of RMB1,712,996,000 at 30 June 2017.

Notes to the Financial Statements

For the period from 1 June to 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other non-current assets

|  | 30 June<br>2017 | 31 December<br>2016 |
|--|-----------------|---------------------|
|  |                 |                     |

# Notes to the Financial Statements

179

Financial statements for the period ended 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is the authoritative version)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 24. Restricted assets

As at 30 June 2017, the restricted assets are as follows:

|                              |       | 31 March 2016 | Carrying amount | Carrying amount | Change | 30 June 2017 |
|------------------------------|-------|---------------|-----------------|-----------------|--------|--------------|
| Assets                       |       |               |                 |                 |        |              |
| Other receivables            | IV.1  | 987,257       | 49,135          | (219,448)       | (99)   | 816,845      |
| Other receivables            | IV.3  | 206,753       | 207,835         | (158,188)       | -      | 256,400      |
| Long-term equity investments | IV.12 | 8,164,729     | (57,408)        | (654,249)       | -      | 7,453,072    |
| Financial assets             | IV.15 | 398,144       | -               | (22,383)        | -      | 375,761      |
| Total                        |       | 9,756,883     | 199,562         | (1,054,268)     | (99)   | 8,902,078    |

Long-term equity investments are accounted for using the equity method. The carrying amount of long-term equity investments is determined based on the proportion of the shareholding held by the Group in the investee. The Group's shareholding in the investee is determined based on the proportion of the shareholding held by the Group in the investee. The Group's shareholding in the investee is determined based on the proportion of the shareholding held by the Group in the investee.

## Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 25. Short-term borrowings

## (1) Classification of short-term borrowings:

|                         | Unit | 30 June<br>2017 | 31 December<br>2016 |
|-------------------------|------|-----------------|---------------------|
| <b>Guaranteed</b>       | ( )  |                 |                     |
| USD                     |      | 391,505         | 2,938,354           |
| RMB                     |      | 1,962,138       | 937,852             |
| EUR                     |      | 16,723          | 61,487              |
| Subtotal                |      | 2,370,366       | 3,937,693           |
| <b>Pledged</b>          | (b)  |                 |                     |
| RMB                     |      | 32,821          | 59,902              |
| <b>Unsecured</b>        |      |                 |                     |
| USD                     |      | 9,299,113       | 7,427,465           |
| EUR                     |      | 719,692         | 478,076             |
| GBP                     |      | 17,621          | 178                 |
| RMB                     |      | 5,327,359       | 3,613,782           |
| AUD                     |      | 329             | 2,296               |
| SGD                     |      | -               | 39,006              |
| JPY                     |      | -               | 7,169               |
| Subtotal                |      | 15,364,114      | 11,567,972          |
| <b>Discounted Notes</b> |      |                 |                     |
| RMB                     |      | 178,447         | 164,220             |
| Total                   |      | 17,945,748      | 15,729,787          |

## Notes to the Financial Statements

181

FA 1J n 30 JA 2017  
(All n nRMB'000  
(Engl hT rfl n R n Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 25. Short-term borrowings (Continued)

### (1) Classification of short-term borrowings: (Continued)

- ( ) 30 J 2017, g b G ng G ng: b n l ng: Zh nh L g G C, L. ( Zh nh G ) m n ng USD324,000 (E n RMB2,195,000); l r CIMC R h ng ng (S ng ) C, L m n ng 1,400,138,000 USD33,962,000 (E n RMB230,096,000) n E 2,158,000 (E n RMB16,723,000), g b G n Chn l n l M Ch ng (Hng Kng) Lr ( CIMC Hng Kng ); l r C&T m n ng 450,000,000, h g b G ; l r X n Hng n g g ng C, L . Ar n ng 112,000,000, g b CIMC Fn ng n g ng C, L . (CIMCVL); CIMC Fn ng n g ng C, L . (CIMCVL) m n ng USD23,500,000 (E n RMB159,214,000), g b G n CIMC Hng Kng.
- (b) 30 J 2017, h t g l r G g l r, n h d t g B n Chn t g h n g , b g n h g t b Fn C m n , m n ng 32,821,000.
- ( ) 30 J 2017, h n g m b ng h h h ng m h n 5% (n l ng 5%) h , ng gh G l g .
- ( ) 30 J 2017, h h g m b ng ng , n 1.30% 6.09% (31 d m b 2016: 0.65% 16.41%).

## 26. Financial liabilities at fair value through profit or loss

|         | 30 June 2017 | 31 March 2016 |
|---------|--------------|---------------|
| Current |              |               |

## Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 27. Notes payable

|                     | 30 June<br>2017 | 31 December<br>2016 |
|---------------------|-----------------|---------------------|
| Bank notes payable  | 872,925         | 1,050,745           |
| Trade notes payable | 380,250         | 500,837             |
| Total               | 1,253,175       | 1,551,582           |

The bank notes payable are all short-term.

## 28. Accounts payable

(1) The Group's accounts payable is as follows:

|                               | 30 June<br>2017 | 31 December<br>2016 |
|-------------------------------|-----------------|---------------------|
| Due to suppliers              | 9,364,746       | 8,303,845           |
| Long-term liabilities payable | 468,558         | 461,925             |
| Payable to employees          | 291,105         | 259,029             |
| Payable to other parties      | 398,677         | 658,048             |
| Due to other parties          | 618,839         | 150,029             |
| Trade payables                | 69,741          | 135,159             |
| Prepaid expenses              | 41,972          | 129,178             |
| Others                        | 91,540          | 63,738              |
| Total                         | 11,345,178      | 10,160,951          |

## Notes to the Financial Statements

183

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 28. Accounts payable (Continued)

## (1) The Group's accounts payable is as follows: (Continued)

The following table shows the breakdown of accounts payable:

|                        | 30 June<br>2017 | 31 Dec<br>2016 |
|------------------------|-----------------|----------------|
| Within 1 year (in RMB) | 10,710,275      | 9,535,350      |
| 1-2 years (in RMB)     | 337,357         | 414,188        |
| 2-3 years (in RMB)     | 179,384         | 153,893        |
| Over 3 years           | 118,162         | 57,520         |
| Total                  | 11,345,178      | 10,160,951     |

As at 30 June 2017, the Group's accounts payable were RMB634,903,000 (31 Dec 2016: RMB625,601,000). The Group's accounts payable are primarily due to suppliers and service providers. The Group's accounts payable are primarily due to suppliers and service providers.

The following table shows the breakdown of accounts payable:

## (2) As at 30 June 2017, there was no accounts payable owed to shareholders holding more than 5% (including 5%) of the voting rights of the Group. Accounts payable owed to related parties are as listed follows:

| Company Name                         | Relationship with Group | 30 June 2017 |                    | 31 Dec 2016 |                    |
|--------------------------------------|-------------------------|--------------|--------------------|-------------|--------------------|
|                                      |                         | Amount       | % of total balance | Amount      | % of total balance |
| Y&C Eng                              | Joint Venture           | 38,931       | 0.34%              | 66,157      | 0.65%              |
| TSC                                  | Associate               | 13,807       | 0.12%              | 25,727      | 0.25%              |
| Fujian Qinghai Binyang Lin Co., Ltd. | Associate               | 10,496       | 0.09%              | 8,138       | 0.08%              |
| Shanghai D. A. Technology            | Minority Shareholder    | 5,352        | 0.05%              | 3,611       | 0.04%              |
| Ningbo Chongrong                     | Associate               | 2,732        | 0.02%              | 2,435       | 0.02%              |
| Xinhua CIMC W. Co., Ltd.             | Associate               | 202          | 0.00%              | 17,905      | 0.18%              |
| A. H. T. Engineering Co., Ltd.       | Minority Shareholder    | -            | 0.00%              | 15,902      | 0.16%              |
| Others                               |                         | 5,825        | 0.05%              | 7,062       | 0.07%              |
| Total                                |                         | 77,345       | 0.67%              | 146,937     | 1.45%              |



# Notes to the Financial Statements

185

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are on the same page)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 30. Accrued payroll (Continued)

#### (1) Short-term wages

|                                             | 31 December 2016 | Current year | Current year | Change | 30 June 2017 |
|---------------------------------------------|------------------|--------------|--------------|--------|--------------|
| Wages, salaries, bonuses, commissions, etc. | 1,699,319        | 2,516,308    | (2,475,474)  | 4,252  | 1,744,405    |
| Payroll taxes                               | 205,151          | -            | (8,951)      | -      | 196,200      |
| Housing fund                                | 6,118            | 80,860       | (80,906)     | (30)   | 6,042        |
| Long-term employee benefits                 | 62,236           | 27,129       | (36,014)     | (157)  | 53,194       |
| Other employee benefits                     | 12,517           | 87,991       | (77,504)     | 1      | 23,004       |
| Other employee benefits                     | 9,564            | 74,051       | (65,053)     | 1      | 18,563       |
| Welfare fund                                | 1,583            | 8,250        | (7,850)      | -      | 1,983        |
| Medical insurance                           | 1,370            | 5,690        | (4,601)      | -      | 2,458        |
| Other employee benefits                     | 104,784          | 280,656      | (334,802)    | 901    | 51,539       |
| Total                                       | 2,090,125        | 2,992,944    | (3,013,651)  | 4,967  | 2,074,384    |

#### (2) Defined contribution plans

|                    | 31 December 2016 | Current year | Current year | Change | 30 June 2017 |
|--------------------|------------------|--------------|--------------|--------|--------------|
| Basic pension      | 21,455           | 205,171      | (186,716)    | 5      | 39,915       |
| Unfunded pension   | 2,554            | 8,214        | (5,724)      | -      | 5,043        |
| Enterprise annuity | 147              | 1,109        | (1,061)      | -      | 195          |
| Total              | 24,156           | 214,494      | (193,501)    | 5      | 45,153       |



# Notes to the Financial Statements

187

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32. Interest payable

|                                           | NT    | 30 June<br>2017 | 31 June<br>2016 |
|-------------------------------------------|-------|-----------------|-----------------|
| Interest payable on bank deposits         | IV.43 | 203,985         | 135,990         |
| Interest payable on bank borrowings       |       | 79,273          | 76,730          |
| Interest payable on other bank borrowings |       | 218,242         | 70,249          |
| Interest payable on other bank borrowings |       | 31,928          | 20,406          |
| Total                                     |       | 533,428         | 303,375         |

### 33. Dividends payable

|                                      | 30 June<br>2017 | 31 June<br>2016 |
|--------------------------------------|-----------------|-----------------|
| Dividends payable on bank deposits   | 75,080          | 16,746          |
| Dividends payable on bank borrowings | 178,332         | -               |
| Total                                | 253,412         | 16,746          |

### 34. Other payables

(1) The analysis of the Group's other payables is as follows:

|                  | NT  | 30 June<br>2017 | 31 June<br>2016 |
|------------------|-----|-----------------|-----------------|
| Accounts payable |     | 2,595,693       | 1,892,437       |
| Accounts payable |     | 1,555,619       | 1,490,340       |
| Accounts payable |     | 543,228         | 593,210         |
| Accounts payable |     | 500,826         | 315,605         |
| Accounts payable |     | 136,633         | 185,777         |
| Accounts payable |     | 82,243          | 73,619          |
| Accounts payable | (3) | 72,786          | 111,054         |
| Accounts payable |     | 27,483          | 12,732          |
| Accounts payable |     | 4,452           | 601             |
| Accounts payable |     | 1,712           | 17,897          |
| Accounts payable |     | 773             | 5,456           |
| Accounts payable |     | -               | 23,200          |
| Accounts payable |     | 605,931         | 432,145         |
| Total            |     | 6,127,379       | 5,154,073       |

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 34. Other payables (Continued)

(2) Significant other payables aged over one year mostly consist of unsettled quality guarantee,

# Notes to the Financial Statements

189

Financial statements for the period ended 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 36. Current portion of non-current liabilities

The Group's current portion of non-current liabilities are analysed by categories as follows:

|                           |       | 30 June<br>2017 | 31 December<br>2016 |
|---------------------------|-------|-----------------|---------------------|
| Cash and cash equivalents | IV.38 | 3,197,042       | 3,401,313           |
| Trade receivables         |       | 1,694,372       | 124,397             |
| Other receivables         |       | 4,891,414       | 3,525,710           |
| Prepaid expenses          |       | 114,537         | 136,571             |
| Other prepayments         |       | (8,826)         | (15,826)            |
| Other receivables         | IV.40 | 105,711         | 120,745             |
| Other receivables         |       | 18,376          | 17,567              |
| Other receivables         |       | 124,087         | 138,312             |
| Other receivables         |       | -               | 3,850               |
| Total                     |       | 5,015,501       | 3,667,872           |

### 37. Other current liabilities

|                |     | 30 June<br>2017 | 31 December<br>2016 |
|----------------|-----|-----------------|---------------------|
| Other payables | (1) | 2,583,959       | 1,666,966           |
| Other payables |     | 28,321          | 20,796              |
| Total          |     | 2,612,280       | 1,687,762           |

(1) The other payables include the following: CIMC Finance Hong Kong Limited (CIMC HK) issued a promissory note of USD450 million to the Group on 20 March 2016, which was guaranteed by the Group's wholly owned subsidiary, CIMC Finance (China) Limited (CIMC Finance China). The note was issued in the amount of RMB2,154,471,000 (equivalent to USD318,000,000) and has a maturity date of 21 December 2015. CIMC HK issued a promissory note of RMB429,488,000 (equivalent to USD63,400,000) to the Group on 30 June 2017, which was guaranteed by the Group's wholly owned subsidiary, CIMC Finance (China) Limited.

- (3) As at 30 June 2017, the interest rate of long-term borrowing ranged from 1.20% to 6.37% (31 December 2016: 1.45% to 6.77%).

# Notes to the Financial Statements

191

Financial statements for the period from 1 January to 30 June 2017  
(All figures in RMB'000 unless otherwise specified)  
(English Text is for reference only)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 39. Debentures payable

|  | 31 December<br>2016 | 30 June<br>2017 |
|--|---------------------|-----------------|
|  |                     |                 |

## Notes to the Financial Statements

Financial statements from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 40. Long-term payables

|                                                        | 30 June<br>2017 | 31 December<br>2016 |
|--------------------------------------------------------|-----------------|---------------------|
| Financial lease liabilities                            | 303,625         | 323,920             |
| Less: Less than one year                               | (41,174)        | (34,723)            |
| Financial lease liabilities, long-term                 | 262,451         | 289,197             |
| Payables for purchase of property, plant and equipment | 120,789         | 120,789             |
| Other payables                                         | 100,635         | 117,922             |
| Others                                                 | 21,034          | 1,464               |
| Total                                                  | 504,909         | 529,372             |

## (1) Details of financial leasing payables

As at 30 June 2017, the Group's financial lease liabilities are as follows: the lease term is 1 to 3 years, the interest rate is 4.75% to 6.00% (the interest rate is 4.75% to 6.00% as at 31 December 2016), the lease term is 1 to 3 years, the interest rate is 4.75% to 6.00%.

| Financial lease liabilities                 | 30 June<br>2017 | 31 December<br>2016 |
|---------------------------------------------|-----------------|---------------------|
| Within 1 year (1 year)                      | 114,537         | 136,571             |
| Over 1 year but less than 2 years (1 year)  | 251,829         | 287,267             |
| Over 2 years but less than 3 years (1 year) | 12,352          | 3,564               |
| Over 3 years                                | 39,444          | 33,089              |
| Sub-total                                   | 418,162         | 460,491             |
| Less: Less than one year                    | (50,000)        | (50,549)            |
| Carrying amount                             | 368,162         | 409,942             |

The Group has entered into financial lease contracts with various lessors.

# Notes to the Financial Statements

193

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is for reference only)

## IV.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 42. Deferred income (Continued)

## (1) Government grants

| Particulars                                                                                                    | 31 March<br>2016 | Current<br>period | Recognized<br>in the<br>period | Other<br>changes | 30 June<br>2017 | Amount<br>in RMB'000 |
|----------------------------------------------------------------------------------------------------------------|------------------|-------------------|--------------------------------|------------------|-----------------|----------------------|
| Yunnan Rongsheng Nonferrous Metal Industry<br>Corporation's investment in the construction of<br>the new plant | 200,000          | -                 | -                              | -                | 200,000         | 200,000              |
| Enshi Yichang Shipbuilding Co., Ltd.                                                                           | 184,253          | -                 | 3,566                          | -                | 180,687         | 180,687              |
| Enshi Yichang Shipbuilding Co., Ltd.                                                                           | 80,396           | -                 | 1,735                          | -                | 78,661          | 78,661               |
| Shanghai CIMC Heavy Industry Co., Ltd.                                                                         | 54,052           | -                 | 651                            | -                | 53,401          | 53,401               |
| Ningbo CIMC Heavy Industry Co., Ltd.                                                                           | 38,000           | -                 | -                              | -                | 38,000          | 38,000               |
| C&T Shipbuilding Co., Ltd.                                                                                     | 30,000           | -                 | -                              | -                | 30,000          | 30,000               |
| TAS Shipbuilding Co., Ltd.                                                                                     | 28,291           | 4,220             | 803                            | -                | 31,708          | 31,708               |
| Yunnan Rongsheng Nonferrous Metal Industry<br>Corporation's investment in the construction of<br>the new plant | 26,504           | -                 | -                              | -                | 26,504          | 26,504               |
| Tongshan CIMC Shipbuilding Co., Ltd.                                                                           | 11,396           | -                 | 152                            | -                | 11,244          | 11,244               |
| TCCIMC Shipbuilding Co., Ltd.                                                                                  | 9,862            | -                 | 131                            | -                | 9,731           | 9,731                |
| CQLE Shipbuilding Co., Ltd.                                                                                    | 8,021            | -                 | 100                            | -                | 7,921           | 7,921                |
| Zhuzhou Gao Di Shipbuilding Co., Ltd.                                                                          | 7,844            | -                 | 450                            | -                | 7,394           | 7,394                |
| Shanghai Yichang Shipbuilding Co., Ltd.                                                                        | 8,000            | -                 | 917                            | -                | 7,083           | 7,083                |
| TAS Shipbuilding Co., Ltd.                                                                                     | 7,348            | -                 | 351                            | -                | 6,997           | 6,997                |
| MEA Shipbuilding Co., Ltd.                                                                                     | 6,301            | -                 | -                              | -                | 6,301           | 6,301                |
| Enshi Yichang Shipbuilding Co., Ltd.                                                                           | 6,000            | -                 | -                              | -                | 6,000           | 6,000                |
| MEA Shipbuilding Co., Ltd.                                                                                     | 5,520            | -                 | 460                            | -                | 5,060           | 5,060                |
| KGR R&D Co., Ltd.                                                                                              | 4,270            | -                 | 112                            | -                | 4,158           | 4,158                |
| Tongshan CIMC Shipbuilding Co., Ltd.                                                                           | 2,256            | -                 | 113                            | -                | 2,143           | 2,143                |
| TAS Shipbuilding Co., Ltd.                                                                                     | 886              | -                 | 48                             | -                | 838             | 838                  |
| Gao Di Shipbuilding Co., Ltd.                                                                                  | 17,362           | -                 | 17,362                         | -                | -               | -                    |
| Gao Di Shipbuilding Co., Ltd.                                                                                  | 10,764           | -                 | 10,764                         | -                | -               | -                    |
| Other                                                                                                          | 82,416           | 40,480            | 6,909                          | -                | 115,987         | 115,987              |
| Total                                                                                                          | 829,742          | 44,700            | 44,624                         | -                | 829,816         | 829,816              |

## Notes to the Financial Statements

195

File name: 11J n 30 Jan 2017  
(All in nRMB'000)  
(English T r l n R n Onl)

#### IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 43. Other non-current liabilities

|                                         |            | 30 June<br>2017 | 31 March<br>2016 |
|-----------------------------------------|------------|-----------------|------------------|
| Construction in progress                | (1)(2)     | 1,549,826       | 1,549,826        |
| Construction of new plant and equipment | IV.5(7)(i) | 487,632         | 487,632          |
| Plant and equipment                     | (3)        | 73,421          | 73,421           |
| Intangible assets                       |            | 11,576          | 12,677           |
| Other                                   |            | 114,359         | -                |
| Total                                   |            | 2,236,814       | 2,123,556        |

[illegible]

30 J 2017, gh 1,249,826,000 (31 J 2016: 1,249,826,000).

## Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017  
 (All amounts in RMB'000 unless otherwise specified)  
 (English text and Chinese text are on equal footing)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 44. Share capital

|                                                                                          | 31 December<br>2016<br>'000 | Change<br>during<br>the period<br>'000 | Change<br>during<br>the period<br>'000 | Change<br>during<br>the period<br>'000 | 30 June<br>2017<br>'000 |
|------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------|----------------------------------------|----------------------------------------|-------------------------|
| Shares subject to trading restriction<br>(All shares are subject to trading restriction) | 699                         | 29                                     | -                                      | -                                      | 728                     |
| Shares not subject to trading restriction                                                |                             |                                        |                                        |                                        |                         |
| - RMB-denominated shares                                                                 | 1,261,301                   | 1,747                                  | -                                      | -                                      | 1,263,048               |
| - Foreign-denominated shares                                                             | 1,716,577                   | -                                      | -                                      | -                                      | 1,716,577               |
| Total                                                                                    | 2,978,577                   | 1,776                                  | -                                      | -                                      | 2,980,353               |

|                                                                                          | 31 December<br>2015<br>'000 | Change<br>during<br>the period<br>'000 | Change<br>during<br>the period<br>'000 | Change<br>during<br>the period<br>'000 | 31 December<br>2016<br>'000 |
|------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------|----------------------------------------|----------------------------------------|-----------------------------|
| Shares subject to trading restriction<br>(All shares are subject to trading restriction) | 866                         | 21                                     | -                                      | (188)                                  | 699                         |
| Shares not subject to trading restriction                                                |                             |                                        |                                        |                                        |                             |
| - RMB-denominated shares                                                                 | 1,260,377                   | 736                                    | -                                      | 188                                    | 1,261,301                   |
| - Foreign-denominated shares                                                             | 1,716,577                   | -                                      | -                                      | -                                      | 1,716,577                   |
| Total                                                                                    | 2,977,820                   | 757                                    | -                                      | -                                      | 2,978,577                   |

The above share capital is in RMB1.00.

A. 16 Jan 2015, the G... 2,000 million. The...  
 ... 1,981,143,000 ... 5.19% ... 3 ...  
 ... the G ... the A ...  
 ... 3 ... The ...  
 ... the G ...  
 ... 16 Jan 2018 ...  
 ...  
 ...

(English Text Only)

|                              | 31 March 2016 | C on 1st | C on 2nd | 30 June 2017       |
|------------------------------|---------------|----------|----------|--------------------|
| Share in the<br>Ordinary     | 3,590,421     | 29,310   |          | <b>3,619,731</b>   |
| - Share in the<br>- Ordinary | 692           |          |          | <b>692</b>         |
| - Dividend                   | 257           |          |          | <b>257</b>         |
| - Earnings                   | 420,004       | 6,778    | (12,103) | <b>414,679</b>     |
| - Capital                    | 15,967        | 70       |          | <b>16,037</b>      |
| - C on 1st                   | 435,101       | 3,428    |          | <b>438,529</b>     |
| - Share in the<br>- Ordinary | 900,031       |          |          | <b>900,031</b>     |
| - C on 1st                   | (42,696)      |          |          | <b>(42,696)</b>    |
| - C on 1st                   | (246,669)     |          | (78,103) | <b>(324,772)</b>   |
| - C on 1st                   | (58,964)      |          |          | <b>(58,964)</b>    |
| - Earnings                   | (406,795)     |          |          | <b>(406,795)</b>   |
| - C on 1st                   | (51,925)      |          |          | <b>(51,925)</b>    |
| - Share in the<br>- Ordinary | (1,549,826)   |          |          | <b>(1,549,826)</b> |
| Ordinary                     | 120,987       |          |          | <b>120,987</b>     |
| Total                        | 3,126,585     | 39,586   | (90,206) | <b>3,075,965</b>   |

|              | 31 March 2015 | C n     | C n       | 31 March 2016 |
|--------------|---------------|---------|-----------|---------------|
| Share in the | 3,577,648     | 12,773  |           | 3,590,421     |
| Other        |               |         |           |               |
| - h ng       | 692           |         |           | 692           |
| - D          | 257           |         |           | 257           |
| - E          | 402,887       | 22,316  | (5,199)   | 420,004       |
| - C          | 14,275        | 1,692   |           | 15,967        |
| - C          | 207,660       | 227,441 |           | 435,101       |
| - (n)        | 899,128       | 903     |           | 900,031       |
| - C          | (42,696)      |         |           | (42,696)      |
| - C          | (224,430)     |         | (22,239)  | (246,669)     |
| - C          | (58,964)      |         |           | (58,964)      |
| - E          | (406,795)     |         |           | (406,795)     |
| - C          | (51,925)      |         |           | (51,925)      |
| - g          | (1,249,826)   |         | (300,000) | (1,549,826)   |
| Other        | 113,952       | 7,035   |           | 120,987       |
| Total        | 3,181,863     | 272,160 | (327,438) | 3,126,585     |

## Notes to the Financial Statements

For the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

# Notes to the Financial Statements

201

For the year ended 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are on the same line)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 48. Surplus reserve

|                 | 31 December 2016 | Change | Change | 30 June 2017 |
|-----------------|------------------|--------|--------|--------------|
| Surplus reserve | 1,489,287        | -      | -      | 1,489,287    |
| Distribution    | 1,790,092        | -      | -      | 1,790,092    |
| Total           | 3,279,379        | -      | -      | 3,279,379    |

|                 | 31 December 2015 | Change | Change | 31 December 2016 |
|-----------------|------------------|--------|--------|------------------|
| Surplus reserve | 1,413,486        | 75,801 | -      | 1,489,287        |
| Distribution    | 1,790,092        | -      | -      | 1,790,092        |
| Total           | 3,203,578        | 75,801 | -      | 3,279,379        |

In accordance with the Company's Articles of Association, the Company shall allocate 10% of its profit after tax for the year to the surplus reserve until the accumulated surplus reserve reaches 50% of the registered capital. The Company has not allocated any amount to the surplus reserve for the year ended 30 June 2017.

The Company's Board of Directors has proposed to allocate 10% of the profit after tax for the year ended 30 June 2017 to the surplus reserve, which is subject to the approval of the shareholders at the annual general meeting.

### 49. Undistributed profits

|                                        | 30 June 2017 | 31 December 2016 |
|----------------------------------------|--------------|------------------|
| Undistributed profits                  | 17,495,053   | 17,805,808       |
| Allocated to the surplus reserve       | 796,898      | 539,660          |
| Allocated to the undistributed profits | (35,908)     | (119,792)        |
| Total                                  | -            | (75,801)         |

## Notes to the Financial Statements

For the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 49. Undistributed profits (Continued)

## (1) Dividends of ordinary shares declared during the period

|                                  | 30 June<br>2017 | 31 December<br>2016 |
|----------------------------------|-----------------|---------------------|
| Dividend payable to shareholders | -               | -                   |
| Total dividend payable           | 179,835         | 654,822             |

In the period from 1 January to 30 June 2017, the Company declared a dividend of 0.06 RMB per share to the shareholders of the Company for the period from 1 January to 30 June 2017 (2016: 0.22 RMB per share), amounting to 179,835,000 (2016: 654,822,000).

## 50. Revenue and cost of sales

|                                     | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|-------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Revenue from operations             | 32,656,928                                             | 22,828,212                                             |
| Revenue from other operations       | 730,224                                                | 714,631                                                |
| Total                               | 33,387,152                                             | 23,542,843                                             |
| Cost of sales from operations       | 26,911,617                                             | 18,795,869                                             |
| Cost of sales from other operations | 329,947                                                | 330,627                                                |
| Total                               | 27,241,564                                             | 19,126,496                                             |

The Company's revenue is derived from the sale of containers and related services, which are subject to a 10% value-added tax.

# Notes to the Financial Statements

203

For the period from 1 January to 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 50. Revenue and cost of sales (Continued)

#### (1) Revenue and cost of sales from main operations by industries and by products

| In                           | For the Period from<br>1 January to 30 June 2017 |                                          | For the Period from<br>1 January to 30 June 2016 |                                          |
|------------------------------|--------------------------------------------------|------------------------------------------|--------------------------------------------------|------------------------------------------|
|                              | Revenue<br>from main<br>operations               | Cost of sales<br>from main<br>operations | Revenue<br>from main<br>operations               | Cost of sales<br>from main<br>operations |
| China                        | 9,596,787                                        | 7,944,171                                | 4,403,976                                        | 4,028,151                                |
| Rest of China                | 9,456,259                                        | 7,813,816                                | 6,807,849                                        | 5,586,799                                |
| Engineering and construction | 4,825,819                                        | 4,021,439                                | 4,180,940                                        | 3,372,051                                |
| Others                       | 500,245                                          | 461,813                                  | 950,752                                          | 822,464                                  |
| Automotive                   | 1,147,629                                        | 932,468                                  | 1,096,364                                        | 886,690                                  |
| Logistics                    | 3,725,556                                        | 3,242,929                                | 3,149,543                                        | 2,763,476                                |
| Finance                      | 1,145,113                                        | 498,703                                  | 1,113,604                                        | 366,336                                  |
| Others                       | 268,322                                          | 160,685                                  | 203,751                                          | 100,269                                  |
| Others                       | 1,238,678                                        | 1,166,396                                | 790,779                                          | 771,101                                  |
| Others                       | 752,520                                          | 669,197                                  | 130,654                                          | 98,532                                   |
| Total                        | 32,656,928                                       | 26,911,617                               | 22,828,212                                       | 18,795,869                               |

#### (2) Revenue and cost of sales from main operations by locations

|                    | For the Period from<br>1 January to 30 June 2017 |                                          | For the Period from<br>1 January to 30 June 2016 |                                          |
|--------------------|--------------------------------------------------|------------------------------------------|--------------------------------------------------|------------------------------------------|
|                    | Revenue<br>from main<br>operations               | Cost of sales<br>from main<br>operations | Revenue<br>from main<br>operations               | Cost of sales<br>from main<br>operations |
| P.R.China          | 27,745,363                                       | 22,723,465                               | 19,344,042                                       | 15,845,823                               |
| Others             | 2,752,566                                        | 2,371,653                                | 1,244,670                                        | 1,041,609                                |
| Others             | 1,649,559                                        | 1,394,104                                | 1,803,907                                        | 1,515,328                                |
| Others (P.R.China) | 378,592                                          | 317,409                                  | 308,619                                          | 282,794                                  |
| Others             | 130,848                                          | 104,986                                  | 126,974                                          | 110,315                                  |
| Total              | 32,656,928                                       | 26,911,617                               | 22,828,212                                       | 18,795,869                               |

The above information is based on the management's best estimate of the revenue and cost of sales from main operations by industries and by products.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 50. Revenue and cost of sales (Continued)

## (3) Revenue and cost of sales from other operations

|                                   | For the Period from<br>1 January to 30 June 2017 |                                           | For the Period from<br>1 January to 30 June 2016 |                                           |
|-----------------------------------|--------------------------------------------------|-------------------------------------------|--------------------------------------------------|-------------------------------------------|
|                                   | Revenue<br>from other<br>operations              | Cost of sales<br>from other<br>operations | Revenue<br>from other<br>operations              | Cost of sales<br>from other<br>operations |
| Revenue from other operations     | 532,435                                          | 239,624                                   | 580,116                                          | 226,095                                   |
| Selling and distribution expenses | 197,789                                          | 90,323                                    | 134,515                                          | 104,532                                   |
| Total                             | 730,224                                          | 329,947                                   | 714,631                                          | 330,627                                   |

## 51. Taxes and surcharges

|                       | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 | Tax and<br>surcharges                 |
|-----------------------|--------------------------------------------------------|--------------------------------------------------------|---------------------------------------|
| Business taxes        | 4,412                                                  | 24,768                                                 | 3%, 5% VAT on business                |
| Consumption taxes     | 44,238                                                 | 85,368                                                 | 7% VAT on consumption                 |
| Land use taxes        | 17,849                                                 | 12,290                                                 | According to the relevant regulations |
| Enterprise Income Tax | 35,470                                                 | 62,541                                                 | 3%, 5% VAT on business                |
| Other taxes           | 114,214                                                | 9,269                                                  |                                       |
| Total                 | 216,183                                                | 194,236                                                |                                       |

## 52. Selling and distribution expenses

|  | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|--|--------------------------------------------------------|--------------------------------------------------------|
|--|--------------------------------------------------------|--------------------------------------------------------|

# Notes to the Financial Statements

205

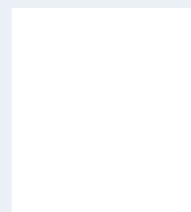
For the period from 1 January to 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 53. General and administrative expenses

|                                             | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|---------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Employee benefits                           | 1,004,200                                              | 783,266                                                |
| Depreciation and amortization               | 288,459                                                | 230,097                                                |
| Provision for doubtful accounts             | 165,200                                                | 49,872                                                 |
| Office expenses                             | 134,408                                                | 149,922                                                |
| Advertising                                 | 113,415                                                | 99,409                                                 |
| Agency fees                                 | 110,796                                                | 97,258                                                 |
| Rent                                        | 75,806                                                 | 63,119                                                 |
| Lease of fixed assets and intangible assets | 49,006                                                 | 30,969                                                 |
| Transportation and other expenses           | 34,293                                                 | 127,122                                                |
| Share-based compensation                    | 9,583                                                  | 19,889                                                 |
| Other expenses                              | 382,873                                                | 331,378                                                |
| Total                                       | 2,368,039                                              | 1,982,301                                              |

### 54. Financial expenses-net



## Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 55. Expenses by nature

Costs incurred in the ordinary course of business, including depreciation, amortization, impairment losses, and other expenses, are classified as follows:

|                                                           | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|-----------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Financial expenses                                        | (741,628)                                              | (244,984)                                              |
| Cost of sales                                             | 24,492,423                                             | 16,685,627                                             |
| Selling expenses                                          | 3,216,847                                              | 2,129,005                                              |
| Administrative expenses                                   | 1,152,911                                              | 1,242,346                                              |
| Share-based payment expenses                              | 560,202                                                | 411,149                                                |
| Financial income                                          | 594,251                                                | 304,944                                                |
| Other income                                              | 130,874                                                | 130,385                                                |
| Provision for doubtful accounts                           | 288,459                                                | 230,097                                                |
| Provision for inventory obsolescence                      | 294,912                                                | 211,604                                                |
| Provision for impairment of property, plant and equipment | 283,549                                                | 180,553                                                |
| Provision for impairment of intangible assets             | 149,651                                                | 57,393                                                 |
| Other expenses                                            | 164,295                                                | 234,324                                                |
| Other income                                              | 209,567                                                | 291,869                                                |
| Other expenses                                            | 663,795                                                | 585,558                                                |
|                                                           | <b>31,460,108</b>                                      | <b>22,449,870</b>                                      |

## 56. Profit/(Loss) from changes in fair value

|                                                                                                           | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Financial assets at fair value through profit or loss                                                     |                                                        |                                                        |
| Change in fair value                                                                                      |                                                        |                                                        |
| 1. Profit/(Loss) from changes in fair value of financial assets at fair value through profit or loss      | 29,834                                                 | 944                                                    |
| 2. Profit/(Loss) from changes in fair value of financial assets at fair value through profit or loss      | (73,769)                                               | (136,647)                                              |
| Profit/(Loss) from changes in fair value of financial assets at fair value through profit or loss         | 1,830                                                  | 141,409                                                |
| Subtotal                                                                                                  | <b>(42,105)</b>                                        | <b>5,706</b>                                           |
| Financial liabilities at fair value through profit or loss                                                |                                                        |                                                        |
| Change in fair value                                                                                      |                                                        |                                                        |
| 1. Profit/(Loss) from changes in fair value of financial liabilities at fair value through profit or loss | 9,479                                                  | 131,398                                                |
| Total                                                                                                     | <b>(32,626)</b>                                        | <b>137,104</b>                                         |

# Notes to the Financial Statements

207

For the period from 1 January to 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is the Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Investment income

#### Investment income by categories

|                                                                                    | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|------------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| (Loss)/Income from financial assets held at amortized cost                         | (1,830)                                                | (141,409)                                              |
| Income from financial assets held at fair value through profit or loss             | 4,106                                                  | 8,855                                                  |
| Income from financial assets held at fair value through other comprehensive income | 533                                                    | 7,714                                                  |
| Income from financial assets held at fair value through profit or loss             | 2,538                                                  | 13,800                                                 |
| Income from financial assets held at fair value through other comprehensive income | (25,460)                                               | 23,712                                                 |
| Other                                                                              | 9,485                                                  | -                                                      |
| Total                                                                              | (10,628)                                               | (87,328)                                               |

### 58. Asset impairment losses

|                                      | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|--------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Allowance for expected credit losses | 25,988                                                 | 14,445                                                 |
| Allowance for expected credit losses | 6,675                                                  | -                                                      |
| Other                                | 141,923                                                | 343,501                                                |
| Impairment losses                    | (3,521)                                                | 6,962                                                  |
| Carrying amount of financial assets  | 97,401                                                 | 153,029                                                |
| Impairment losses                    | (35,563)                                               | (129,164)                                              |
| Other                                | -                                                      | 178,634                                                |
| For                                  | 1,534                                                  | 94                                                     |
| Reversal of impairment losses        | -                                                      | 700,000                                                |
| Total                                | 234,437                                                | 1,267,501                                              |

Notes to the Financial Statements

For the period from 1 January to 30 June 2017  
(All amounts in RMB'000 人民币千元)  
(English Text and Chinese Text are Original)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Other Income

|                  | For the<br>Period from<br>1 January to<br>30 June 2017 |
|------------------|--------------------------------------------------------|
| Financial income | 57,088                                                 |
| Transportation   | 27,472                                                 |
| Others           | 6,472                                                  |
| Total            | 91,032                                                 |

60. Non-operating income

(1) Non-operating income by categories:

For the Period  
from 1 January  
to 30 June 2017

|  |
|--|
|  |
|--|

# Notes to the Financial Statements

209

For the period from 1 January to 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is the Original Text)

## FINANCIAL STATEMENTS (CONTINUED)

| For the Period<br>from 1 January<br>to 30 June 2017 | For the Period<br>from 1 January<br>to 30 June 2016 | For the Period<br>from 1 January<br>to 30 June 2017 |
|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| 17,388                                              | 9,485                                               | 17,388                                              |
| 17,388                                              | 9,485                                               | 17,388                                              |
| -                                                   | -                                                   | -                                                   |
| 352                                                 | 393                                                 | 352                                                 |
| 1,699                                               | 380                                                 | 1,699                                               |
| 11,486                                              | 989                                                 | 11,486                                              |
| 679                                                 | 664                                                 | 679                                                 |
| 800                                                 | 2,234                                               | 800                                                 |
| 32,404                                              | 14,145                                              | 32,404                                              |

| For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|--------------------------------------------------------|--------------------------------------------------------|
|--------------------------------------------------------|--------------------------------------------------------|

## Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 62. Income tax expenses (Continued)

The following table shows the reconciliation of income tax expense to accounting income tax expense:

|                          | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|--------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Profit before income tax | 1,576,142                                              | (165,844)                                              |
| Income tax expense       | 395,233                                                | 338,676                                                |
| Income tax expense       | (63,499)                                               | (46,248)                                               |
| Income tax expense       | 20,714                                                 | 32,243                                                 |
| Income tax expense       | (90,621)                                               | (74,525)                                               |
| Income tax expense       | 395,233                                                | 338,676                                                |

# Notes to the Financial Statements

211

For the period from 1 January to 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text prevails over Chinese text)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 63. Earnings per share (Continued)

#### (2) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of diluted shares outstanding during the period.

|                                                              | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|--------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Profit attributable to ordinary shareholders of the Company  | 796,898                                                | (378,034)                                              |
| Interest expense on bank borrowings                          | (35,908)                                               | (51,900)                                               |
| Interest expense on other financial assets                   | (1,371)                                                | -                                                      |
| Profit attributable to ordinary shareholders of the Company  | 759,619                                                | (429,934)                                              |
| Weighted average number of diluted shares outstanding ('000) | 2,986,410                                              | 2,978,120                                              |
| Diluted earnings per share (RMB/share)                       | 0.2544                                                 | (0.1444)                                               |

( )

|                                                      | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Weighted average number of shares outstanding ('000) | 2,979,059                                              | 2,978,120                                              |
| Interest expense on bank borrowings ('000)           | 7,351                                                  | -                                                      |
| Weighted average number of shares outstanding ('000) | 2,986,410                                              | 2,978,120                                              |

The basic and diluted earnings per share are calculated based on 60,000,000 shares (2.01% of the total shares of 2,980,352,786) of the Company in the period.



# Notes to the Financial Statements

213

For the period from 1 January to 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 64. Notes to the consolidated cash flow statement (Continued)

#### (4) Cash received related to other financing activities

|                                            | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Cash received from issuing bank loans      | 81,616                                                 | 22,272                                                 |
| Cash received from issuing corporate bonds | -                                                      | 98,104                                                 |
| Total                                      | 81,616                                                 | 120,376                                                |

### 65. Information to cash flow statement

#### (1) Supplementary information to the consolidated cash flow statement

(1) Information to cash flow statement

|                                           | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|-------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Net cash provided by operating activities | 1,066,509                                              | (541,160)                                              |
| Net cash used in investing activities     | 234,437                                                | 1,267,501                                              |
| Net cash used in financing activities     | 916,498                                                | 1,056,717                                              |
| Net cash provided by operating activities | 175,734                                                | 121,062                                                |
| Net cash provided by operating activities | 60,679                                                 | 64,902                                                 |

## Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 65. Information to cash flow statement (Continued)

## (1) Supplementary information to the consolidated cash flow statement (Continued)

( )

|                                                           | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|-----------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Cash and cash equivalents at the beginning of the period  | 5,940,423                                              | 4,310,559                                              |
| Net change in cash and cash equivalents during the period | 6,338,667                                              | 3,259,123                                              |
| Cash and cash equivalents at the end of the period        | (398,244)                                              | 1,051,436                                              |

## (2) Information on acquisition of subsidiaries and other business units during the period

|                                                           | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|-----------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| I. Acquisition of subsidiaries and other business units   |                                                        |                                                        |
| Cash and cash equivalents at the beginning of the period  | 5,000                                                  | 965,028                                                |
| Net change in cash and cash equivalents during the period | -                                                      | 200,451                                                |
| Cash and cash equivalents at the end of the period        | 5,000                                                  | 764,577                                                |

## (3) Cash and cash equivalents

|                                                           | For the<br>Period from<br>1 January to<br>30 June 2017 | For the<br>Period from<br>1 January to<br>30 June 2016 |
|-----------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| I. Cash                                                   |                                                        |                                                        |
| At the beginning of the period                            | 155,947                                                | 3,420                                                  |
| Net change in cash and cash equivalents during the period | 4,686,435                                              | 4,074,994                                              |
| Cash and cash equivalents at the end of the period        | 77,875                                                 | 232,145                                                |
| II. Restricted cash                                       | 1,020,166                                              | -                                                      |
| III. Cash and cash equivalents at the end of the period   | 5,940,423                                              | 4,310,559                                              |

Note: Cash and cash equivalents include cash and cash equivalents.

# Notes to the Financial Statements

215

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise stated)  
(English text and Chinese text are equally authentic)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 66. Monetary items denominated in foreign currency

|                     | 30 June 2017                             |                  |         |
|---------------------|------------------------------------------|------------------|---------|
|                     | Functional<br>currency<br>(in thousands) | Exchange<br>Rate | in RMB  |
| Monetary fund – USD | 120,552                                  | 6.7744           | 816,665 |
| Monetary fund – HKD | 289,640                                  | 0.8679           | 251,384 |
| Monetary fund – AUD | 15,237                                   | 5.2099           | 79,381  |
| Monetary fund – THB |                                          |                  |         |
| Monetary fund – USD |                                          | 0.8679           | 65      |

## Notes to the Financial Statements

Financial statements for the period from January 1 to June 30, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 66. Monetary items denominated in foreign currency (Continued)

|                       | 30 June 2017                             |                  |            |
|-----------------------|------------------------------------------|------------------|------------|
|                       | Functional<br>currency<br>(in thousands) | Exchange<br>Rate | in RMB     |
| Short-term borrowings |                                          |                  |            |
| USD                   | 1,430,476                                | 6.7744           | 9,690,618  |
| EUR                   | 95,026                                   | 7.7496           | 736,415    |
| GBP                   | 1,999                                    | 8.8144           | 17,621     |
| AUD                   | 63                                       | 5.2099           | 329        |
|                       |                                          |                  | 10,444,983 |
| Accounts payable      |                                          |                  |            |
| USD                   | 237,138                                  | 6.7744           | 1,606,467  |
| HKD                   | 49,007                                   | 0.8679           | 42,534     |
| EUR                   | 83,320                                   | 7.7496           | 645,695    |
| AUD                   | 8,929                                    | 5.2099           | 46,517     |
| THB                   | 2,532                                    | 5.0155           | 12,700     |
| Others                |                                          |                  | 709,653    |
|                       |                                          |                  | 3,063,566  |
| Other payables        |                                          |                  |            |
| USD                   | 190,769                                  | 6.7744           | 1,292,347  |
| HKD                   | 13,687                                   | 0.8679           | 11,879     |
| JPY                   | 98,008                                   | 0.0605           | 5,928      |
| EUR                   | 8,211                                    | 7.7496           | 63,630     |
| AUD                   | 1,004                                    | 5.2099           | 5,233      |
| THB                   | 367                                      | 5.0155           | 1,840      |
| Others                |                                          |                  | 257,379    |
|                       |                                          |                  | 1,638,236  |
| Long-term borrowings  |                                          |                  |            |
| USD                   | 3,267,834                                | 6.7744           | 22,137,615 |
| HKD                   | 248,000                                  | 0.8679           | 215,244    |
| Others                |                                          |                  | 397,237    |
|                       |                                          |                  | 22,750,096 |
| Long-term payables    |                                          |                  |            |
| USD                   | 29,264                                   | 6.7744           | 198,246    |

# Notes to the Financial Statements

217

Financial statements for the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is for Reference Only)

## V. CHANGES IN THE SCOPE OF CONSOLIDATION

### 1. Business combinations involving enterprises not under common control

The Company has completed the acquisition of 100% equity of Hubei Xiangyang Water Supply Co., Ltd. (Xiangyang Water Supply) on December 31, 2017. The acquisition is accounted for as a business combination not under common control.

### 2. Disposal of subsidiaries

The Company has completed the disposal of 100% equity of Hubei Xiangyang Water Supply Co., Ltd. (Xiangyang Water Supply) on December 31, 2017.

## VI. EQUITY IN OTHER ENTITIES

### 1. Equity in subsidiaries

All equity investments in subsidiaries are accounted for as long-term investments. The Company has no intention to dispose of these investments in the near future.

As of December 31, 2017, the Company's equity investments in subsidiaries are as follows: 621. The Company's equity investments in subsidiaries are as follows: 360, the Company's equity investments in subsidiaries are as follows: 758,912,000.00. The Company's equity investments in subsidiaries are as follows: 20 million USD. The Company's equity investments in subsidiaries are as follows: Heng Kong, B. V. g n e l n e s t a t e s.

Notes to the Financial Statements

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination

(1) Subsidiaries obtained through establishment or business combination

| No. | Name                                                    | Category | Registration Place   | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-----|---------------------------------------------------------|----------|----------------------|---------------|----------------|-----------------------------------------------|-----------------------------|----------|
|     |                                                         |          |                      |               |                |                                               | Direct                      | Indirect |
| 1   | Shanghai Sinicim Container Management Co., Ltd. (SCIMC) | Business | Shanghai, P.R. China |               |                |                                               |                             |          |

## Notes to the Financial Statements

219

Financial Statements for the year ended 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

## 1. Equity in subsidiaries (Continued)

## (1) Subsidiaries obtained through establishment or business combination (Continued)

| No. | Name                                                  | Category | Registration Place | Main Premises    | Business scope                                                                     | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-----|-------------------------------------------------------|----------|--------------------|------------------|------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
|     |                                                       |          |                    |                  |                                                                                    |                                               | Direct                      | Indirect |
| 9   | Yonghui Rongliang E-commerce Co., Ltd. (YZRYL)        | Business | Yonghui, Ningbo    | Yonghui, Ningbo  | Mainly engaged in the business of e-commerce                                       | USD20,000,000                                 | -                           | 100.00%  |
| 10  | Shanghai CIMC Yongliang E-commerce Co., Ltd. (SHYSLE) | Business | Shanghai           | Shanghai         | Mainly engaged in the business of e-commerce, including the business of e-commerce | USD29,480,000                                 | -                           | 100.00%  |
| 11  | Shanghai CIMC Yongliang E-commerce Co., Ltd. (SCRC)   | Business | Shanghai           | Shanghai         | Mainly engaged in the business of e-commerce, including the business of e-commerce | USD31,000,000                                 | 72.00%                      | 20.00%   |
| 12  | Ningbo CIMC Sinter IT Co., Ltd. (NTCIMCS)             | Business | Ningbo, Jiangsu    | Ningbo, Jiangsu  | Mainly engaged in the business of e-commerce, including the business of e-commerce | USD10,000,000                                 | -                           | 71.00%   |
| 13  | Xinhai CIMC Sinter IT Co., Ltd. (XHCIMCS)             | Business | Jiangsu, Ningbo    | Jiangsu, Ningbo  | Mainly engaged in the business of e-commerce, including the business of e-commerce | USD65,499,000                                 | 19.01%                      | 80.99%   |
| 14  | Ningbo CIMCTE E-commerce Co., Ltd. (NTCIMCTE)         | Business | Ningbo, Jiangsu    | Ningbo, Jiangsu  | Mainly engaged in the business of e-commerce, including the business of e-commerce | USD35,000,000                                 | -                           | 70.79%   |
| 15  | Dalian CIMC Rongli E-commerce Co., Ltd. (DLCIMCS)     | Business | Dalian, Liaoning   | Dalian, Liaoning | Mainly engaged in the business of e-commerce, including the business of e-commerce | USD20,000,000                                 | 55.00%                      | 45.00%   |
| 16  | Ningbo CIMC Longsheng T Co., Ltd.                     | Business | Ningbo, Jiangsu    | Ningbo, Jiangsu  | Mainly engaged in the business of e-commerce, including the business of e-commerce | USD47,700,000                                 | -                           | 70.79%   |
| 17  | Shanghai CIMC Sinter E-commerce Co., Ltd. (CIMCSV)    | Business | Shanghai, Ningbo   | Shanghai, Ningbo | Mainly engaged in the business of e-commerce, including the business of e-commerce | RMB200,000,000                                | -                           | 63.33%   |

# Notes to the Financial Statements

For the period from January 1 to December 31, 2017

(All figures in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

| Name                                                        | Category | Registration Place  | Main Premises       | Business scope                                                                                              | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-------------------------------------------------------------|----------|---------------------|---------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
|                                                             |          |                     |                     |                                                                                                             |                                               | Direct                      | Indirect |
| 18 Qingdao CIMC Shipbuilding Co., Ltd. (QDSV)               | Business | Qingdao, Shandong   | Qingdao, Shandong   | Design, construction, installation, maintenance, repair, overhaul, etc. of ships, offshore structures, etc. | RMB62,880,000                                 | 44.34%                      | 35.25%   |
| 19 Foshan CIMC Shipbuilding Co., Ltd. (Foshan Shipbuilding) | Business | Foshan, Guangdong   | Foshan, Guangdong   | Design, construction, installation, maintenance, repair, overhaul, etc. of ships, offshore structures, etc. | RMB3,000,000                                  | -                           | 100.00%  |
| 20 Shenghai CIMC Shipbuilding Co., Ltd. (SHL)               | Business | Shanghai            | Shanghai            | Design, construction, installation, maintenance, repair, overhaul, etc. of ships, offshore structures, etc. | RMB90,204,100                                 | -                           | 63.33%   |
| 21 Shanghai CIMC Shipbuilding Co., Ltd. (CIMC Shipbuilding) | Business | Shanghai, Guangdong | Shanghai, Guangdong | Design, construction, installation, maintenance, repair, overhaul, etc. of ships, offshore structures, etc. | RMB30,000,000                                 | 12.00%                      | 88.00%   |
| 22 CIMC Shipbuilding (Liaoning) Co., Ltd. (LNS)             | Business | Yingkou, Liaoning   | Yingkou, Liaoning   | Design, construction, installation, maintenance, repair, overhaul, etc. of ships, offshore structures, etc. | RMB60,000,000                                 | -                           | 63.33%   |
| 23 Tianjin CIMC Shipbuilding Co., Ltd. (Tianjin CIMC)       | Business | Tianjin             | Tianjin             | Design, construction, installation, maintenance, repair, overhaul, etc. of ships, offshore structures, etc. |                                               |                             |          |

# Notes to the Financial Statements

221

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

| Name                                                   | Category     | Registration Place | Main Premises      | Business scope                                                                      | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|--------------------------------------------------------|--------------|--------------------|--------------------|-------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
|                                                        |              |                    |                    |                                                                                     |                                               | Direct                      | Indirect |
| 26 Xinhai CIMC Construction Materials Co., Ltd. (XHCM) | Construction | Jiangsu, Gaocheng  | Jiangsu, Gaocheng  | Production and sale of construction materials, including cement, sand, gravel, etc. | RMB129,000,000                                | -                           | 63.33%   |
| 27 Qonghai CIMC Engineering Co., Ltd. (QDHB)           | Construction | Qinghai, Shiqiang  | Qinghai, Shiqiang  | Construction, engineering design, construction management, etc.                     | RMB137,930,000                                | -                           | 63.33%   |
| 28 Shenghai CIMC Shipbuilding Co., Ltd. (SHCIMCV)      | Construction | Shanghai           | Shanghai           | Shipbuilding, repair, maintenance, etc.                                             | RMB10,000,000                                 | -                           | 63.33%   |
| 29 CIMC Financial Leasing Co., Ltd. (CIMCVL)           | Construction | Shanghai, Gaocheng | Shanghai, Gaocheng | Financial leasing, financing, etc.                                                  |                                               |                             |          |

## Notes to the Financial Statements

For the year ended 31 July 2017

(All figures in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

## 1. Equity in subsidiaries (Continued)

## (1) Subsidiaries obtained through establishment or business combination (Continued)

| No. | Name                                                 | Category      | Registration Place  | Main Premises       | Business scope                                                                                      | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-----|------------------------------------------------------|---------------|---------------------|---------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
|     |                                                      |               |                     |                     |                                                                                                     |                                               | Direct                      | Indirect |
| 34  | Inner Mongolia Helihe CIMC Warrick Co., Ltd. (NMGW)  | Belt and Road | Inner Mongolia      | Inner Mongolia      | Production and sale of containers, repair and maintenance of containers, and other related business | RMB259,520,000                                | -                           | 100.00%  |
| 35  | Jiangxi CIMC Warrick Co., Ltd. (JXW)                 | Belt and Road | Jiangxi, Zhajiang   | Jiangxi, Zhajiang   | Production and sale of containers, repair and maintenance of containers, and other related business | USD5,000,000                                  | -                           | 100.00%  |
| 36  | Shanghai Sincere CIMC Container Co., Ltd. (SCIMCL)   | Belt and Road | Shanghai, Guangdong | Shanghai, Guangdong | Engineering, construction, installation, maintenance, and repair of containers                      | USD5,000,000                                  | -                           | 100.00%  |
| 37  | Ningbo CIMC Container Co., Ltd. (NBCIMCL)            | Belt and Road | Ningbo, Zhajiang    | Ningbo, Zhajiang    | Production and sale of containers, repair and maintenance of containers, and other related business | RMB30,000,000                                 | -                           | 100.00%  |
| 38  | CIMC Shengde Container Co., Ltd. (CIMC SD)           | Belt and Road | Shanghai            | Shanghai            | Production and sale of containers, repair and maintenance of containers, and other related business | RMB204,123,000                                | 98.53%                      | 1.47%    |
| 39  | CIMC Warrick (Xinjiang) Co., Ltd. (SJ4S)             | Belt and Road | Urumqi, Xinjiang    | Urumqi, Xinjiang    | Production and sale of containers, repair and maintenance of containers, and other related business | RMB80,000,000                                 | -                           | 63.33%   |
| 40  | CIMC Warrick (Guangdong) Co., Ltd. (HI)              | Belt and Road | Shanghai, Guangdong | Shanghai, Guangdong | Production and sale of containers, repair and maintenance of containers, and other related business | USD212,225,100                                | 44.33%                      | 19.00%   |
| 41  | Qingdao CIMC Shengde Container Co., Ltd. (QDCSR)     | Belt and Road | Qingdao, Shandong   | Qingdao, Shandong   | Production and sale of containers, repair and maintenance of containers, and other related business | USD39,184,100                                 | -                           | 100.00%  |
| 42  | Tianjin CIMC Logistics Equipment Co., Ltd. (TJCMCLE) | Belt and Road | Tianjin             | Tianjin             | Production and sale of containers, repair and maintenance of containers, and other related business | USD10,000,000                                 | -                           | 83.50%   |

## Notes to the Financial Statements

Filing Date: 07/11/2017  
(All rights reserved)  
(English Title: ...)

223

[illegible]

Notes to the Financial Statements

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

| Name                                                                | Category | Registration Place   | Main Premises        | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|---------------------------------------------------------------------|----------|----------------------|----------------------|----------------|-----------------------------------------------|-----------------------------|----------|
|                                                                     |          |                      |                      |                |                                               | Direct                      | Indirect |
| 51 CIMC Marine Engineering (Shanghai) Co., Ltd. (CIMCT Engineering) | Business | Shanghai, P.R. China | Shanghai, P.R. China |                |                                               |                             |          |

# Notes to the Financial Statements

225

For the year ended 31 January 2017  
(All figures in RMB'000 unless otherwise stated)  
(English Text and Chinese Text are equally authentic)

| Name | Category | Registration<br>Place | Main<br>Premises |
|------|----------|-----------------------|------------------|
|------|----------|-----------------------|------------------|

## Notes to the Financial Statements

For the year ended 31 July 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

## 1. Equity in subsidiaries (Continued)

## (1) Subsidiaries obtained through establishment or business combination (Continued)

( )

| No. | Name                                                                                    | Category                | Registration Place | Main Premises    | Business scope                          | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-----|-----------------------------------------------------------------------------------------|-------------------------|--------------------|------------------|-----------------------------------------|-----------------------------------------------|-----------------------------|----------|
|     |                                                                                         |                         |                    |                  |                                         |                                               | Direct                      | Indirect |
| 69  | CIMC Container Handling Co., Ltd.<br>(China Container Handling)                         | Wholly owned subsidiary | Shanghai, China    | Shanghai, China  | Container handling and related services | RMB2,736,915,400                              | 100.00%                     | -        |
| 70  | China CIMC Logistics & Engineering Co., Ltd. (China Logistics & Engineering)            | Wholly owned subsidiary | Guangzhou, China   | Guangzhou, China | Logistics and engineering services      | RMB15,000,000                                 | -                           | 63.33%   |
| 71  | Shanghai CIMC Heavy Industry Group Co., Ltd. (Shanghai Heavy Industry Group)            | Wholly owned subsidiary | Xinjiang, China    | Xinjiang, China  | Heavy industry products and services    | RMB80,000,000                                 | -                           | 63.33%   |
| 72  | CIMC Holdings (B.V.I.) Limited (CIMC BVI)                                               | Wholly owned subsidiary | Jingyan, China     | Jingyan, China   | Investment and holding services         | RMB150,000,000                                | -                           | 100.00%  |
| 73  | CIMC International Engineering & Construction Co., Ltd. (Mile Engineering)              | Wholly owned subsidiary | Jingyan, China     | Jingyan, China   | Engineering and construction services   | RMB50,000,000                                 | -                           | 87.40%   |
| 74  | CIMC China Heavy Industry Co., Ltd. (China Heavy Industry)                              | Wholly owned subsidiary | Qingdao, China     | Qingdao, China   | Heavy industry products and services    | RMB50,000,000                                 | -                           | 100.00%  |
| 75  | CIMC China Heavy Industry Co., Ltd. (China Heavy Industry)                              | Wholly owned subsidiary | Qingdao, China     | Qingdao, China   | Heavy industry products and services    | RMB979,000,000                                | -                           | 100.00%  |
| 76  | Shanghai CIMC International IP Heavy Industry Co., Ltd. (Shanghai Heavy Industry Group) | Wholly owned subsidiary | Shanghai, China    | Shanghai, China  | Heavy industry products and services    | RMB50,000,000                                 | -                           | 63.33%   |
| 77  | Shanghai TNC CIMC Logistics & Engineering Co., Ltd. (TNC Logistics & Engineering)       | Wholly owned subsidiary | Shanghai, China    | Shanghai, China  | Logistics and engineering services      | RMB60,000,000                                 | -                           | 54.70%   |

# Notes to the Financial Statements

227

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text prevails over Chinese text in case of discrepancy)

YJTJET0000.8K0.25 1001F>1012T.44212T (R g: JTJT)17.232. 01736.85hA ng

| Name                                                        | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-------------------------------------------------------------|----------|--------------------|---------------|----------------|-----------------------------------------------|-----------------------------|----------|
|                                                             |          |                    |               |                |                                               | Direct                      | Indirect |
| 78 Dingge n Cn Inn, n n : l P n n C, L . (Dingge n n n, n ) | B: n     | Dingge n, G ng ng  |               |                |                                               |                             |          |

## Notes to the Financial Statements

For the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

## 1. Equity in subsidiaries (Continued)

## (1) Subsidiaries obtained through establishment or business combination (Continued)

| No. | Name                                                                                  | Category                | Registration Place | Main Premises     | Business scope                                                                                                 | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-----|---------------------------------------------------------------------------------------|-------------------------|--------------------|-------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
|     |                                                                                       |                         |                    |                   |                                                                                                                |                                               | Direct                      | Indirect |
| 87  | Qingdao CIMC Innotech Co., Ltd. (Qingdao Innotech Co., Ltd.)                          | Wholly-owned subsidiary | Qingdao, Shandong  | Qingdao, Shandong | Design, development, production, sales and maintenance of various types of industrial machinery and equipment. | RMB10,000,000                                 | 100.00%                     | 82.00%   |
| 88  | Anhui Urethane Chemical Co., Ltd. (Urethane Chemical Co., Ltd.)                       | Wholly-owned subsidiary | Xuyi, Anhui        | Xuyi, Anhui       | Production and sales of urethane chemical products.                                                            | RMB158,000,000                                | 100.00%                     | 66.24%   |
| 89  | Zhangjiachang (Tianjin) Chemical Co., Ltd. (Zhangjiachang Chemical Co., Ltd.)         | Wholly-owned subsidiary | Tianjin            | Tianjin           | Production and sales of various types of chemical products.                                                    | RMB85,761,300                                 | 100.00%                     | 75.00%   |
| 90  | Kunming CIMC Chemical Co., Ltd. (Kunming CIMC Chemical Co., Ltd.)                     | Wholly-owned subsidiary | Kunming, Yunnan    | Kunming, Yunnan   | Production and sales of various types of chemical products.                                                    | RMB80,000,000                                 | 100.00%                     | 54.70%   |
| 91  | CIMC Tianjin (Lingnan) Chemical Co., Ltd. (CIMC Tianjin (Lingnan) Chemical Co., Ltd.) | Wholly-owned subsidiary | Lingnan, Fujian    | Lingnan, Fujian   | Production and sales of various types of chemical products.                                                    | RMB20,000,000                                 | 100.00%                     | 32.82%   |
| 92  | Alkermes GmbH (Alkermes GmbH) Ltd. (Alkermes GmbH)                                    | Wholly-owned subsidiary | Wujiang, Jiangsu   | Wujiang, Jiangsu  | Production and sales of various types of chemical products.                                                    | EUR1,500,000                                  | 100.00%                     | 60.00%   |
| 93  | Shanghai CIMC Yantai Chemical Co., Ltd. (Shanghai CIMC Yantai Chemical Co., Ltd.)     | Wholly-owned subsidiary | Shanghai, Yantai   | Shanghai, Yantai  | Production and sales of various types of chemical products.                                                    | RMB10,000,000                                 | 100.00%                     | 54.72%   |
| 94  | Shanghai CIMC Yantai Chemical Co., Ltd. (Shanghai CIMC Yantai Chemical Co., Ltd.)     | Wholly-owned subsidiary | Shanghai, Yantai   | Shanghai, Yantai  | Production and sales of various types of chemical products.                                                    | RMB137,844,600                                | 100.00%                     | 50.78%   |
| 95  | Nanjing CIMC Shen Yang Chemical Co., Ltd. (Nanjing CIMC Shen Yang Chemical Co., Ltd.) | Wholly-owned subsidiary | Nanjing, Jiangsu   | Nanjing, Jiangsu  | Production and sales of various types of chemical products.                                                    | RMB20,000,000                                 | 100.00%                     | 70.73%   |

# Notes to the Financial Statements

229

Final Report of the Board of Directors for the Year 2017  
(All figures in RMB'000 unless otherwise specified)  
(English Text is for Reference Only)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

#### (1) Subsidiaries obtained through establishment or business combination (Continued)

| Name                                                                           | Category | Registration Place   | Main Premises        | Business scope                                      | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|--------------------------------------------------------------------------------|----------|----------------------|----------------------|-----------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
|                                                                                |          |                      |                      |                                                     |                                               | Direct                      | Indirect |
| 96 D'Angelo CIMC Shipbuilding Co., Ltd. (D'Angelo CIMC Shipbuilding Co., Ltd.) | Brazil   | D'Angelo, G. ng. ng. | D'Angelo, G. ng. ng. | Shipbuilding, repair and maintenance of ships, etc. | RMB200,000,000                                | -                           | 63.33%   |
| 97 G. ng. ng. CIMC Shipbuilding Co., Ltd. (G. ng. ng. Shipbuilding Co., Ltd.)  | Brazil   | D'Angelo, G. ng. ng. | D'Angelo, G. ng. ng. | Shipbuilding, repair and maintenance of ships, etc. | RMB30,000,000                                 | 100%                        | -        |
| 98 Zhenhe (Tianjin) Shipbuilding Co., Ltd. (Zhenhe Shipbuilding Co., Ltd.)     | Brazil   | Tianjin              | Tianjin              | Shipbuilding, repair and maintenance of ships, etc. | RMB79,475,000                                 | -                           | 75.00%   |
| 99 CIMC Shipbuilding Co., Ltd. (Jiangsu CIMC Shipbuilding Co., Ltd.)           | Brazil   | Jiangsu, G. ng. ng.  | Jiangsu, G. ng. ng.  | Shipbuilding, repair and maintenance of ships, etc. | RMB50,000,000                                 | -                           | 100.00%  |
| 100 Shenghe CIMC Shipbuilding Co., Ltd. (Shenghe Shipbuilding Co., Ltd.)       | Brazil   | Shenghe, G. ng. ng.  | Shenghe, G. ng. ng.  | Shipbuilding, repair and maintenance of ships, etc. | RMB152,500,000                                | -                           | 63.33%   |
| 101 CIMC Shipbuilding Co., Ltd. (Minghe Shipbuilding Co., Ltd.)                | Brazil   | Tianjin              | Tianjin              | Shipbuilding, repair and maintenance of ships, etc. | RMB1,049,226,700                              | 100.00%                     | -        |
| 102 D'Angelo Shipbuilding Co., Ltd. (D'Angelo Shipbuilding Co., Ltd.)          | Brazil   | D'Angelo, G. ng. ng. | D'Angelo, G. ng. ng. | Shipbuilding, repair and maintenance of ships, etc. | RMB600,000,000                                | -                           | 100.00%  |
| 103 Ningbo CIMC Shipbuilding Co., Ltd. (Ningbo Shipbuilding Co., Ltd.)         | Brazil   | Ningbo               | Ningbo               | Shipbuilding, repair and maintenance of ships, etc. | RMB500,000,000                                | -                           | 100.00%  |
| 104 Shenghe CIMC Shipbuilding Co., Ltd. (Shenghe Shipbuilding Co., Ltd.)       | Brazil   | Shenghe              | Shenghe              | Shipbuilding, repair and maintenance of ships, etc. | RMB50,000,000                                 | -                           | 100.00%  |

## Notes to the Financial Statements

Financial statements for the period January 1 to December 30, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

## 1. Equity in subsidiaries (Continued)

## (1) Subsidiaries obtained through establishment or business combination (Continued)

| No. | Name                                                                                               | Category | Registration Place | Main Premises | Business scope                                                                                                | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-----|----------------------------------------------------------------------------------------------------|----------|--------------------|---------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
|     |                                                                                                    |          |                    |               |                                                                                                               |                                               | Direct                      | Indirect |
| 105 | Shanghai Tian Hu Zhongyuan Container Co., Ltd. (Shanghai Tian Hu Zhongyuan)                        | B Share  | Shanghai           | Shanghai      | International shipping                                                                                        | RMB30,000,000                                 | -                           | 66.24%   |
| 106 | Guangdong Zhongda Logistics Co., Ltd. (Guangdong Zhongda Logistics)                                | B Share  | Jiangmen           | Jiangmen      | Maritime cargo handling, warehousing, logistics                                                               | RMB31,800,000                                 | 19.01%                      | 80.99%   |
| 107 | Yonghe CIMC Hong Kong International Container Co., Ltd. (Yonghe Hong Kong International Container) | B Share  | Yonghe             | Yonghe        | Maritime cargo handling, warehousing, logistics, container leasing                                            | RMB25,000,000                                 | -                           | 82.00%   |
| 108 | Yonghe CIMC Donghai International Container Co., Ltd. (Yonghe Donghai International Container)     | B Share  | Yonghe             | Yonghe        | Maritime cargo handling, warehousing, logistics, container leasing                                            | RMB25,000,000                                 | -                           | 82.00%   |
| 109 | Yonghe CIMC Haili International Container Co., Ltd. (Yonghe Haili International Container)         | B Share  | Yonghe             | Yonghe        | Full container handling, warehousing, logistics, container leasing, international shipping                    | RMB35,000,000                                 | -                           | 82.00%   |
| 110 | Yonghe CIMC Shengli Logistics Co., Ltd. (Yonghe Shengli Logistics)                                 | B Share  | Tongji             | Tongji        | Port cargo handling, warehousing, logistics, container leasing                                                | USD20,000,000                                 | 50.00%                      | 50.00%   |
| 111 | Zhonghe Container Equipment International Co., Ltd. (Zhonghe Container Equipment International)    | B Share  | Zhonghe            | Zhonghe       | AGC international shipping                                                                                    | RMB43,000,000                                 | -                           | 66.00%   |
| 112 | CIMC Eastern International Shipping Co., Ltd. (CIMC Eastern International Shipping)                | B Share  | Shanghai           | Shanghai      | International shipping                                                                                        | USD80,000,000                                 | -                           | 70.73%   |
| 113 | Zhongguo CIMC Shengli Container Equipment Co., Ltd. (Shengli Container Equipment)                  | B Share  | Zhongguo           | Zhongguo      | Maritime cargo handling, warehousing, logistics, container leasing, international shipping, container leasing | RMB30,000,000                                 | -                           | 63.66%   |

# Notes to the Financial Statements 231

财务报表附注  
 2017年12月31日  
 (All amounts in RMB'000 unless otherwise specified)  
 (English Text only)

| Name | Category | Registration<br>Place | Main<br>Premises | Business scope | Share capital<br>issued and<br>information |
|------|----------|-----------------------|------------------|----------------|--------------------------------------------|
|      |          |                       |                  |                |                                            |

## Notes to the Financial Statements

Fri Jan 13 10:11 AM EST 30 Jan 2017

(All in million RMB'000)

(English Text Only)

| Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|------|----------|--------------------|---------------|----------------|-----------------------------------------------|-----------------------------|----------|
|      |          |                    |               |                |                                               | Direct                      | Indirect |

# Notes to the Financial Statements

233

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

(1)

## Notes to the Financial Statements

Financial statements for the period ended 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

## 1. Equity in subsidiaries (Continued)

## (1) Subsidiaries obtained through establishment or business combination (Continued)

| Name                                                       | Category                | Registration Place | Main Premises    | Business scope             | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|------------------------------------------------------------|-------------------------|--------------------|------------------|----------------------------|-----------------------------------------------|-----------------------------|----------|
|                                                            |                         |                    |                  |                            |                                               | Direct                      | Indirect |
| 137 Chongqing Hing King Logistics Co., Ltd.<br>(Chongqing) | Wholly-owned subsidiary | Hong Kong, China   | Hong Kong, China | International logistics    | HKD10,000                                     | -                           | 70.73%   |
| 138 Chongqing Ebo Logistics Co., Ltd.<br>(Chongqing)       | Wholly-owned subsidiary | Bahamas, The       | Bahamas, The     | International logistics    | USD50,000                                     | -                           | 63.33%   |
| 139 Shanghai Hing King Logistics Co., Ltd.<br>(Shanghai)   | Wholly-owned subsidiary | Hong Kong, China   | Hong Kong, China | International logistics    | HKD1                                          | -                           | 100.00%  |
| 140 Shenzhen Waha Logistics Co., Ltd.<br>(Shenzhen)        | Wholly-owned subsidiary | Bahamas, The       | Bahamas, The     | International logistics    | USD50,000                                     | -                           | 70.73%   |
| 141 Gibraltar Logistics (Gibraltar) Co., Ltd.              | Wholly-owned subsidiary | Hong Kong, China   | Hong Kong, China | International logistics    | HKD1                                          | -                           | 100.00%  |
| 142 Panama Hing King Logistics Co., Ltd.<br>(Panama)       | Wholly-owned subsidiary | Bahamas, The       | Bahamas, The     | International logistics    | USD10                                         | -                           | 100.00%  |
| 143 CIMC U.S.A.                                            | Wholly-owned subsidiary | Holland            | Holland          | International logistics    | EUR75,000,000                                 | -                           | 70.73%   |
| 144 Hing King B.V.                                         | Wholly-owned subsidiary | Holland            | Holland          | International logistics    | EUR90,000                                     | -                           | 70.73%   |
| 145 CIMC Finance (HK) Co., Ltd.                            | Wholly-owned subsidiary | Hong Kong, China   | Hong Kong, China | Finance                    | HKD500,000                                    | -                           | 100.00%  |
| 146 CIMC Overseas Logistics Co., Ltd.<br>(CIMC Overseas)   | Wholly-owned subsidiary | Hong Kong, China   | Hong Kong, China | International logistics    | HKD2,234,855,000                              | -                           | 100.00%  |
| 147 CIMC U.S.A. (COOP)                                     | Wholly-owned subsidiary | Holland            | Holland          | International logistics    | EUR25,500,000                                 | 99.00%                      | 1.00%    |
| 148 Nantong Rong Hing King (NSR)                           | Wholly-owned subsidiary | Bahamas, The       | Bahamas, The     | Finance and other services | USD6,000                                      | -                           | 91.50%   |

# Notes to the Financial Statements

235

For the year ended 31st Dec 2017  
(All figures in RMB'000 unless otherwise stated)  
(English Text and Chinese Text are on the same page)

Name

Category

Notes to the Financial Statements

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

| Name | Category | Registration Place | Main Pre2istration |
|------|----------|--------------------|--------------------|
|------|----------|--------------------|--------------------|

# Notes to the Financial Statements

237

Financial statements for the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text is for reference only)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

(2) The Group does not have subsidiaries obtained through combination under common control

(3) Subsidiaries acquired through combinations under non-common control

( )

| Name                                         | Category | Registration Place | Main Premises      | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|----------------------------------------------|----------|--------------------|--------------------|----------------|-----------------------------------------------|-----------------------------|----------|
|                                              |          |                    |                    |                |                                               | Direct                      | Indirect |
| 1. Long CIMC Long A CO, LTD. (LYV)           | B        | L                  | L                  | P              | RMB122,745,700                                | ,                           | 45.26%   |
| 2. W h CIMC R J ng A CO LTD (WHVS)           | B        | W h , Anh          | W h , Anh          |                | RMB161,786,100                                | ,                           | 45.76%   |
| 3. L ng h n D ng w h A C h , L . (LSDYV)     | B        | L ng h n , Sh n ng | L ng h n , Sh n ng | P              | RMB90,000,000                                 | ,                           | 44.39%   |
| 4. Q ng CIMC C h n M n C h , L (QDCC)        | B        | Q ng , Sh n ng     | Q ng , Sh n ng     | M              | USD27,840,000                                 | ,                           | 100.00%  |
| 5. Q ng CIMC C h n M n C h , L . (QDCRC)     | B        | Q ng , Sh n ng     | Q ng , Sh n ng     | M              | USD86,846,680                                 | ,                           | 100.00%  |
| 6. T njn CIMC N h n C h n C h , L . (TJCMC)  | B        | T njn              | T njn              | M              | USD15,469,300                                 | 47.50%                      | 52.50%   |
| 7. Sh ngh CIMC B h n C h n C h , L (SBW)     | B        | Sh ngh             | Sh ngh             | M              | USD28,500,000                                 | ,                           | 94.74%   |
| 8. CIMC W h n (G ) (Sh n ng) C h , L . (KGR) | B        | Zh ng , Sh n ng    | Zh ng , Sh n ng    |                | USD18,930,100                                 | ,                           | 55.10%   |



## Notes to the Financial Statements

239

Financial statements for the year ended 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

## 1. Equity in subsidiaries (Continued)

## (3) Subsidiaries acquired through combinations under non-common control (Continued)

| Name                                                                   | Category | Registration Place | Main Premises    | Business scope                                                      | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|------------------------------------------------------------------------|----------|--------------------|------------------|---------------------------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
|                                                                        |          |                    |                  |                                                                     |                                               | Direct                      | Indirect |
| 17 Shijie Engineering Group Co., Ltd. (Shijie Engineering)             | Business | Shanghai           | Shanghai         | Manufacturing and sales of various types of machinery and equipment | USD32,000,000                                 | -                           | 70.73%   |
| 18 Eitong (Lingling) Engineering Co., Ltd. (Lingling Engineering)      | Business | Lingling, Hunan    | Lingling, Hunan  | Manufacturing and sales of various types of machinery and equipment | HKD115,000,000                                | -                           | 70.73%   |
| 19 Eitong (Jingling) Engineering Co., Ltd. (Jingling Engineering)      | Business | Jingling, Hunan    | Jingling, Hunan  | Manufacturing and sales of various types of machinery and equipment | HKD40,000,000                                 | -                           | 70.73%   |
| 20 CIMC Eitong (Jingling) Engineering Co., Ltd. (Jingling Engineering) | Business | Jingling, Hunan    | Jingling, Hunan  | Manufacturing and sales of various types of machinery and equipment | HKD50,000,000                                 | -                           | 70.73%   |
| 21 Jingling Engineering Co., Ltd. (Jingling Engineering)               | Business | Jingling, Hunan    | Jingling, Hunan  | Manufacturing and sales of various types of machinery and equipment | RMB100,000,000                                | -                           | 56.58%   |
| 22 Ningbo CIMC Wanhua Co., Ltd. (Ningbo CIMC Wanhua)                   | Business | Ningbo, Zhejiang   | Ningbo, Zhejiang | Manufacturing and sales of various types of machinery and equipment | RMB9,884,600                                  | -                           | 60.00%   |
| 23 Yantai CIMC Rongcheng Co., Ltd. (Yantai CIMC Rongcheng)             | Business | Yantai, Shandong   | Yantai, Shandong | Manufacturing and sales of various types of machinery and equipment | RMB2,291,190,000                              | -                           | 97.89%   |

## Notes to the Financial Statements

For the year ended 31 July 2017

(All figures in RMB'000 unless otherwise stated)

(English Text and Chinese Text are Original)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

## 1. Equity in subsidiaries (Continued)

## (3) Subsidiaries acquired through combinations under non-common control (Continued)

| No. | Name                                                         | Category | Registration Place | Main Premises    | Business scope                                                | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-----|--------------------------------------------------------------|----------|--------------------|------------------|---------------------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
|     |                                                              |          |                    |                  |                                                               |                                               | Direct                      | Indirect |
| 24  | Yunnan CIMC Rongsheng Container Leasing Co., Ltd. (YCRS)     | Business | Yunnan, China      | Yunnan, China    | Container leasing, repair and maintenance of containers, etc. | RMB125,980,000                                | -                           | 83.47%   |
| 25  | Hong Kong CIMC Rongsheng Container Leasing Co., Ltd. (HCRO)  | Business | Hong Kong          | Hong Kong        | Container leasing, repair and maintenance of containers, etc. | RMB200,000,000                                | -                           | 97.89%   |
| 26  | Liaoning CIMC Rongsheng Container Leasing Co., Ltd. (LCRO)   | Business | Liaoning, China    | Liaoning, China  | Container leasing, repair and maintenance of containers, etc. | RMB290,000,000                                | -                           | 97.89%   |
| 27  | Shanghai Mian Sheng Sheng Container Leasing Co., Ltd. (SDMV) | Business | Jiangsu, China     | Jiangsu, China   | Container leasing, repair and maintenance of containers, etc. | RMB66,000,000                                 | -                           | 44.39%   |
| 28  | Xinjiang Aier E Container Leasing Co., Ltd. (XAE)            | Business | Xinjiang           | Xinjiang         | Container leasing, repair and maintenance of containers, etc. | RMB25,000,000                                 | -                           | 38.29%   |
| 29  | Yantai Yantai Sheng F Container Leasing Co., Ltd. (YJFR)     | Business | Yantai, Shandong   | Yantai, Shandong | Container leasing, repair and maintenance of containers, etc. | RMB10,000,000                                 | -                           | 49.20%   |
| 30  | Nanjing Yantai Sheng F Container Leasing Co., Ltd. (YJFR)    | Business | Nanjing, Jiangsu   | Nanjing, Jiangsu | Container leasing, repair and maintenance of containers, etc. | RMB88,000,000                                 | -                           | 70.73%   |

# Notes to the Financial Statements

241

Financial statements for the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

|    | Name                                          | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|----|-----------------------------------------------|----------|--------------------|---------------|----------------|-----------------------------------------------|-----------------------------|----------|
|    |                                               |          |                    |               |                |                                               | Direct                      | Indirect |
| 31 | Zhuhai Lige Gaoji Cui, Ltd.<br>(Zhuhai Gaoji) | Business | Taiwan             | Taiwan        |                |                                               |                             |          |

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

| No. | Name                                                                 | Category | Registration Place | Main Premises      | Business scope                                       | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-----|----------------------------------------------------------------------|----------|--------------------|--------------------|------------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
|     |                                                                      |          |                    |                    |                                                      |                                               | Direct                      | Indirect |
| 40  | Zhānhǎi Dǎngjīng (Tǎnjīn) Cǎi, Lǚ.<br>(Zhānhǎi Dǎngjīng (Tǎnjīn))    | Bēngōng  | Tǎnjīn             | Tǎnjīn             | Chānyè nǚshì yǎngzhī                                 | RMB50,000,000                                 | -                           | 75.00%   |
| 41  | Tǎnjīn Zhānhǎi Lǎn lǚ Tǎnjīn Bǎn Wǎnhǎng (Tǎnjīn Zhānhǎi Tǎnjīn Bǎn) | Bēngōng  | Tǎnjīn             | Tǎnjīn             | Cǎi fǎng gōng yǎngzhī                                | RMB5,628,800                                  | -                           | 75.00%   |
| 42  | Běngnǎi Sīyǎng (Shānhǎi) Cǎi, Lǚ. (Shānhǎi Běngnǎi)                  | Bēngōng  | Shānhǎi, Gōngchéng | Shānhǎi, Gōngchéng | Pǎoshìdòng huà nǚshì yǎngzhī nǚshì huà lǚ            | HKD7,500,000                                  | -                           | 70.00%   |
| 43  | Běngnǎi Sīyǎng (Shānghǎi) Cǎi, Lǚ. (Shānghǎi Běngnǎi)                | Bēngōng  | Shānghǎi           | Shānghǎi           | Cǎi fǎng nǚshì yǎngzhī nǚshì huà lǚ, yǎngzhī yǎngzhī | USD513,000                                    | -                           | 70.00%   |
| 44  | Tǎnjīn Sīyǎng Kǎohǎng                                                |          |                    |                    |                                                      |                                               |                             |          |

# Notes to the Financial Statements

243

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are original and equally valid)

| Name                                                                                                     | Category                                                                                       | Registration Place | Main Premises |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|--------------------|---------------|
| Ruiji Lo.41217f(Wuhu) Co., Ltd (WARRJL)                                                                  | truck special-use vehicles, engd(ering )J1.5 93Td(Re1ET65 2.824Tj0 -MB1,100,000,000(Re12.14    |                    |               |
| Premi2 Td(Reg/ntitytion.5 931siness scoeSY.4(Wuhu,137( Anhui))ss scoeSY.4(Wuhu,137( Anhui))J(B)T043ss sc | Manufacture and sale of agricultur0 1vehicles agricultur0 1machd(Td and )TJ. i8 337 1(r)18(ele |                    |               |
| Henan,                                                                                                   |                                                                                                |                    |               |

## Notes to the Financial Statements

Financial statements for the period from January 1 to December 31, 2017

(All amounts in RMB'000, unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

## 1. Equity in subsidiaries (Continued)

## (3) Subsidiaries acquired through combinations under non-common control (Continued)

| No. | Name                                   | Category | Registration Place | Main Premises  | Business scope                                 | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-----|----------------------------------------|----------|--------------------|----------------|------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
|     |                                        |          |                    |                |                                                |                                               | Direct                      | Indirect |
| 56  | CIMCRilling Shanghai P.L.C.<br>(CIMCA) | BVI      | Australia          | Australia      | Sea container leasing                          | AUD50,000                                     | -                           | 63.33%   |
| 57  | Evergreen Logistics Limited (EGL)      | BVI      | Cayman Islands     | Cayman Islands | Sea container leasing                          | HKD1,936,838,008<br>HKD0.01 per share         | -                           | 70.73%   |
| 58  | Bglint B.V.                            | BVI      | Holland            | Holland        | Sea container leasing                          | EUR841,267                                    | -                           | 100.00%  |
| 59  | CIMCENRICT Netherlands B.V.            | BVI      | Holland            | Holland        | Sea container leasing                          | EUR20,000,000                                 | -                           | 70.73%   |
| 60  | Zhejiang Haimen B.V.                   | BVI      | Holland            | Holland        | Sea container leasing                          | EUR136,200                                    | -                           | 70.73%   |
| 61  | Zhejiang Haimen International B.V.     | BVI      | Holland            | Holland        | Port, ship, cargo, and container leasing, etc. | CIMCA                                         | -                           | -        |

## Notes to the Financial Statements

245

Filing Date: 07/11/2017  
(All rights reserved)  
(English Title: ...)

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

$$(\quad) \setminus \dots \dots \dots (\quad, \quad)$$

|                                     |          |                    |               |                                                                              | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|-------------------------------------|----------|--------------------|---------------|------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------|----------|
| Name                                | Category | Registration Place | Main Premises | Business scope                                                               |                                               | Direct                      | Indirect |
| 68 B gS B.V.                        | B        | Hll n              | Hll n         | A mbl n r f f f<br>r ml n n h n                                              | EUR150,000                                    | ,                           | 70.73%   |
| 69 LAG T t N.V.                     | B        | lg l n             | lg l n        | M n ng t                                                                     | EUR3,245,000                                  | ,                           | 63.33%   |
| 70 z l n n Hl n N.V.                | B        | lg l n             | lg l n        | P h n n h n                                                                  | EUR991,600                                    | ,                           | 70.79%   |
| 71 l n l g N.V. b                   | B        | lg l n             | lg l n        | P h n f f f f f                                                              | EUR248,000                                    | ,                           | 63.33%   |
| 72 z l n n Hl n A/S                 | B        | n n                | n n           | P h n n h n                                                                  | DKK1,000,000                                  | ,                           | 70.73%   |
| 73 D Ch LLC ( DCEC )                | B        | USA                | USA           | M n ng n f f f f l<br>r ml f                                                 | USD10,000,000                                 | ,                           | 63.33%   |
| 74 CIMC TGE G l n n SA<br>( TGESA ) | B        | L m b g            | L m b g       | l h n hl ng                                                                  | EUR50,000                                     | ,                           | 60.00%   |
| 75 TGE G Engng GmbH<br>( TGE G )    | B        | G l n              | G l n         | P EP+CS ( gn, P h n<br>C f n S n)<br>h l f f n LNG, LPG<br>n f g n f l       | EUR1,000,000                                  | ,                           | 60.00%   |
| 76 CIMC R O (Sng l)<br>Lr ( R )     | B        | Sng l              | Sng l         | P h n f f f f f<br>f l n g f - llng<br>l f f f f f llng<br>Pl f f, FPSO, FSO | SGD594,416,915<br>n<br>USD303,122,013         | ,                           | 100.00%  |

# Notes to the Financial Statements

For the year ended 31 July 2017  
(All figures in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

| Name                            | Category                | Registration Place | Main Premises  | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) |          |
|---------------------------------|-------------------------|--------------------|----------------|----------------|-----------------------------------------------|-----------------------------|----------|
|                                 |                         |                    |                |                |                                               | Direct                      | Indirect |
| 77 CIMC R 2017 11 11 30 11 2017 | B 2017 11 11 30 11 2017 | Hong Kong, Chn     | Hong Kong, Chn | 100.00%        | HKD2                                          | ,                           | 100.00%  |
| 78 CIMC R 2017 11 11 30 11 2017 | B 2017 11 11 30 11 2017 | Sing 1             | Sing 1         | 100.00%        | SGD2                                          | ,                           | 100.00%  |
| 79 C 2017 11 11 30 11 2017      | B 2017 11 11 30 11 2017 | Sing 1             | Sing 1         | 100.00%        | USD30,000,000                                 | ,                           | 100.00%  |
| 80 2017 11 11 30 11 2017        | B 2017 11 11 30 11 2017 | Uae Kng 11         | Uae Kng 11     | 100.00%        | GBP100                                        | ,                           | 60.00%   |
| 81 G 2017 11 11 30 11 2017      | B 2017 11 11 30 11 2017 | Ser 1              | Ser 1          | 100.00%        | SEK1,000,000                                  | ,                           | 100.00%  |
| 82 2017 11 11 30 11 2017        | B 2017 11 11 30 11 2017 | Hong Kong, Chn     | Hong Kong, Chn | 100.00%        | USD1                                          | ,                           | 100.00%  |
| 83 2017 11 11 30 11 2017        | B 2017 11 11 30 11 2017 | Ger 1              | Ger 1          | 100.00%        | EUR16,000,000                                 | ,                           | 70.73%   |
| 84 2017 11 11 30 11 2017        | B 2017 11 11 30 11 2017 | Ger 1              | Ger 1          | 100.00%        | EUR13,543,000                                 | ,                           | 60.00%   |
| 85 2017 11 11 30 11 2017        | B 2017 11 11 30 11 2017 | Ser 1              | Ser 1          | 100.00%        | SEK1,000,000                                  | ,                           | 90.00%   |
| 86 CIMC MBS LIMITED (CML)       | B 2017 11 11 30 11 2017 | Uae Kng 11         | Uae Kng 11     | 100.00%        | GBP3,884,303                                  | ,                           | 100.00%  |
| 87 2017 11 11 30 11 2017        | B 2017 11 11 30 11 2017 | Hong Kong, Chn     | Hong Kong, Chn | 100.00%        | USD6,600,000                                  | ,                           | 75.00%   |

## Notes to the Financial Statements

247

Fall 2017  
(All in RMB'000)  
(English Text Only)

VI, V6,

[illegible]

## Notes to the Financial Statements

For the year ended 31 July 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text)

### VI. EQUITY IN OTHER ENTITIES (CONTINUED)

#### 1. Equity in subsidiaries (Continued)

(4) There is no significant partial disposal of subsidiary equity in current period (not losing control).

(5) There is no acquisition of significant minority interests in the current period.

#### 2. Equity in associates and joint ventures

##### (1) Basic information of major associates and joint ventures

|                  | Main Premises   | Registration Place | Nature of business                                                  | Strategic for the group or not | Shareholding ratio-Direct | Shareholding ratio-Indirect |
|------------------|-----------------|--------------------|---------------------------------------------------------------------|--------------------------------|---------------------------|-----------------------------|
| Joint ventures – |                 |                    |                                                                     |                                |                           |                             |
| NKY Zhai         | Taiwan          | Taiwan             | Logistics and warehousing                                           | Not                            | -                         | 38.25%                      |
| Y&C Eng          | Wuhan, Anhui    | Wuhan, Anhui       | Manufacturing and sales of various types of machinery and equipment | Not                            | -                         | 33.12%                      |
| Associates –     |                 |                    |                                                                     |                                |                           |                             |
| LH Eng           | Bahamas         | Bahamas            | Global engineering and construction                                 | Not                            | -                         | 15.58%                      |
| Shanghai Eng     | Shanghai        | Shanghai           | Maritime engineering and construction                               | Not                            | -                         | 40.00%                      |
| TSC              | Hong Kong (USA) | California (USA)   | Logistics and warehousing                                           | Not                            | -                         | 13.42%                      |
| Jisheng          | Hong Kong       | Hong Kong          | Logistics and warehousing                                           | Not                            | -                         | 30.00%                      |
| China Eng        | Guangdong       | California (USA)   | Manufacturing                                                       | Not                            | -                         | 30.00%                      |
| Shanghai Eng     | Shanghai        | Shanghai           | Logistics and warehousing                                           | Not                            | -                         | 45.00%                      |

The above information is for reference only and does not constitute an offer.

##### (2) Excess deficit of major associates and joint ventures

The above information is for reference only and does not constitute an offer.

### VII. EQUITY OF THE STRUCTURED BODY NOT INCLUDED IN THE CONSOLIDATION RANGE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The structured body is a special purpose vehicle established for the purpose of holding equity in the structured body.

# Notes to the Financial Statements

249

Financial statements for the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text prevails over Chinese text in case of discrepancy)

## VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

- The company does not have any holding company.
- For the information on the subsidiaries of the company, refer to Note VI.1.
- For the information about the joint ventures and associates of the Company, refer to Note VI.2.

In accordance with the requirements of the Accounting Standards for Joint Ventures and Associates, the following table provides information about the joint ventures and associates of the Company.

|                            | Main place of business | Registered Address | The nature of the business | The group activity is strategic | Shareholding percentage – direct | Shareholding percentage – indirect |
|----------------------------|------------------------|--------------------|----------------------------|---------------------------------|----------------------------------|------------------------------------|
| <b>Joint ventures -</b>    |                        |                    |                            |                                 |                                  |                                    |
| Gongsheng Logistics        | Nanning                | Nanning            | Logistics                  | No                              | -                                | 50.00%                             |
| 'K' Law Zhonghua Logistics | Taijin                 | Taijin             | Logistics                  | No                              | -                                | 38.25%                             |
| Qinghai Bogen              | Qinghai                | Qinghai            | Construction               | No                              | -                                | 35.00%                             |
| Shanghai Bogen             | Shanghai               | Shanghai           | Construction               | No                              | -                                | 35.00%                             |
| Taijin Jinhua Bogen        | Taijin                 | Taijin             | Construction               | No                              | -                                | 35.00%                             |
| <b>Associates -</b>        |                        |                    |                            |                                 |                                  |                                    |
| Xinhua W                   | Xinhua                 | Xinhua             | W                          | No                              | -                                | 35.00%                             |
| Renyi Le                   | Zhenjiang              | Zhenjiang          | Real estate                | No                              | -                                | 16.40%                             |
| Qinghai Bogen              | Fujian                 | Fujian             | Construction               | No                              | -                                | 30.00%                             |
| Xinhu W In                 | Hangkong               | Hangkong           | W                          | No                              | -                                | 20.00%                             |
| Shanghai Shan              | Shanghai               | Shanghai           | A                          | No                              | -                                | 15.83%                             |
| Zhenjiang Xinhu Bogen      | Zhenjiang              | Zhenjiang          | Construction               | No                              | -                                | 30.00%                             |
| Dilin Jinhua Logistics     | Dilin                  | Dilin              | Logistics                  | No                              | -                                | 30.00%                             |
| Taijin Sina Dajiang        | Taijin                 | Taijin             | Advertising                | No                              | -                                | 39.22%                             |
| Anhui H                    |                        |                    |                            |                                 |                                  |                                    |
| Xinhua CIMC                | Xinhua                 | Xinhua             | Construction               | No                              | -                                | 45.00%                             |
| Ningbo Lin                 | Ningbo                 | Ningbo             | Construction               | No                              | -                                | 21.00%                             |

# Notes to the Financial Statements

For the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Information of other related parties

| Company name                                  | Relationship with the Group |
|-----------------------------------------------|-----------------------------|
| SUMITOMO CORPORATION                          | Major shareholder           |
| Shanghai D.A. International                   | Major shareholder           |
| Qinghai Iron and Steel                        | Subsidiary                  |
| FML                                           | Subsidiary                  |
| Guangdong                                     | Major shareholder           |
| Asia Trading Co., Ltd.                        | Major shareholder           |
| Shanghai F                                    | Major shareholder           |
| China Iron and Steel Shougang Group Co., Ltd. | Subsidiary                  |
| Florida Iron and Steel Co., Ltd.              | Subsidiary                  |
| China COSCO Shipping Ltd.                     | Subsidiary                  |
| Florida Iron and Steel Co., Ltd.              | Subsidiary                  |

Note: Subsidiary is a company that is controlled by the Group, which holds more than 50% of the shares.



252 Notes to the Financial Statements

For the period from 1 Jan to 30 Jun 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

VIII.

|             |             | For the Period from |        | 1 Jan to 30 Jun 2016 |
|-------------|-------------|---------------------|--------|----------------------|
| N/A         |             | Amount              |        | Amount               |
| 63,809      | Settlements | 93,174              | 38,242 |                      |
|             | 66,874      |                     |        |                      |
| Receivables |             | 20,078              | 10,352 |                      |

(3) Financing

Interest income

Note

|                    |        |             |             |     |                    |         |
|--------------------|--------|-------------|-------------|-----|--------------------|---------|
| Financing received | 45,571 | 19 Jan 2008 | Receivables | 522 | Share F            | 27,215  |
|                    |        |             |             |     |                    | 72,786  |
|                    |        |             |             |     | Financing provided | 503,568 |
|                    |        |             |             |     |                    | 254     |

# Notes to the Financial Statements 253

For the year ended 31 December 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are on the same line)

## VIII.

Filing Date: March 30, 2017  
(All rights reserved) (RMB'000)  
(English translation only)

## 5. Related party transactions (Continued)

#### (4) Other related party transactions (Continued)

[illegible]

NL ( ): A<sup>s</sup> 20-~~in~~-m<sup>b</sup> 2016, ~~A~~<sup>b</sup> 2016, ~~n~~<sup>a</sup> ng<sup>a</sup> l<sup>a</sup> ng M. L n L ~~n~~<sup>a</sup> ng<sup>a</sup> ~~n~~<sup>a</sup> h<sup>a</sup> t<sup>a</sup> M. L.  
Sh ng h<sup>a</sup> ~~n~~<sup>a</sup> ~~n~~<sup>a</sup> ~~n~~<sup>a</sup> ~~n~~<sup>a</sup> h<sup>a</sup> l<sup>a</sup> sh<sup>a</sup> h<sup>a</sup> ~~n~~<sup>a</sup> n<sup>a</sup> gh h<sup>a</sup> ~~n~~<sup>a</sup> ~~n~~<sup>a</sup> ~~n~~<sup>a</sup> 7)::

# Notes to the Financial Statements

255

Financial statements for the period from 1 Jan to 30 Jun 2017  
(All figures in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are equally authentic)

## VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Related party transactions (Continued)

#### (4) Other related party transactions (Continued)

( )

## Notes to the Financial Statements

Fri 11 Jun 2017  
(All times in RMB'000)  
(English Only)

## VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

## 5. Related party transactions (Continued)

#### (4) Other related party transactions (Continued)

[illegible]

# Notes to the Financial Statements

257

For the year ended 31 December 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

Filing Date: March 30, 2017  
(All rights reserved)  
(English version only)

## 1. Information about share-based payments

| <p>T... n... g... ng...</p> <p>T... n... g... ng...</p> <p>T... n... g... ng...</p>                                                              | <p>Th... n... b... h... g... b... C... n... n...<br/>Er... 0 h...</p> <p>Th... n... b... h... g... b... C... n... n...<br/>n... Er... 1,776,000 n... 1,676,000... h...</p> <p>Th... C... n... h... n... h... n... n...<br/>n... n... b... h... g... n... Er... 294,000<br/>h...</p>                                                                                                               |                                                                  |                                       |              |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------|--------------|---------------|
| <p>Th... n... g... h...<br/>n... n...<br/>n... h... n...<br/>n... n...<br/>n... n...</p> <p>Th... n... g...<br/>n... n... n...<br/>n... n...</p> | <p>1. E... h... g... b... Er... n 2009, 2011<br/>n 2014: HKD4, HKD2.48 n HKD11.24...<br/>n... , n... l... n... 2.30, 4.32 n<br/>6.93... ;</p> <p>2. E... h... g... b... C... n...<br/>n 2010 n 2011: RMB10.49 ( j... n ) n<br/>RMB16.02... h... ( j... n ), n...<br/>l... n... h 3.24...<br/>NI</p>                                                                                               |                                                                  |                                       |              |               |
| <p>E... gn... h... ng... h... b... n... n...</p>                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                  |                                       |              |               |
| <p>E... h... b... n...</p>                                                                                                                       | <table border="1"> <thead> <tr> <th data-bbox="1029 1218 1209 1360"> <p>For the Period<br/>from<br/>1 January to<br/>30 June 2017</p> </th> <th data-bbox="1220 1218 1388 1360"> <p>From<br/>1 Jan<br/>30 Jun 2016</p> </th> </tr> </thead> <tbody> <tr> <td data-bbox="1029 1369 1209 1397"> <p>9,583</p> </td> <td data-bbox="1220 1369 1388 1397"> <p>19,889</p> </td> </tr> </tbody> </table> | <p>For the Period<br/>from<br/>1 January to<br/>30 June 2017</p> | <p>From<br/>1 Jan<br/>30 Jun 2016</p> | <p>9,583</p> | <p>19,889</p> |
| <p>For the Period<br/>from<br/>1 January to<br/>30 June 2017</p>                                                                                 | <p>From<br/>1 Jan<br/>30 Jun 2016</p>                                                                                                                                                                                                                                                                                                                                                             |                                                                  |                                       |              |               |
| <p>9,583</p>                                                                                                                                     | <p>19,889</p>                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                       |              |               |

|              | 30 June<br>2017<br>'000 | 31 March<br>2016<br>'000 |
|--------------|-------------------------|--------------------------|
| Begnn ng b l | 83,572                  | 86,599                   |
| G            | -                       | -                        |
| E            | (1,676)                 | (1,211)                  |
| C            | (162)                   | (1,776)                  |
| F            | (132)                   | (40)                     |
| En ng b l    | 81,602                  | 83,572                   |

# Notes to the Financial Statements

For the year ended 31 March 2017

(All amounts in RMB'000 unless otherwise stated)

(English text prevails over Chinese text)

## IX. SHARE-BASED PAYMENTS (CONTINUED)

### 2. Information on equity-settled share-based payment (Continued)

#### (2) Information on equity-settled share-based payment of the Company

At the end of the reporting period, the Company has the following share-based payment arrangements: (a) Restricted share plan (RSP): The RSP was established in 2010. The purpose of the RSP is to encourage and retain key management personnel and other employees who are committed to the long-term development of the Company. The RSP is a restricted share plan in which the Company grants shares to eligible employees at a price of 25% of the closing price of the Company's shares on the date of grant. The shares granted are subject to a lock-up period of 48 months. The Company will repurchase 75% of the shares granted if the employee leaves the Company within the lock-up period. The Company will also repurchase 10% of the shares granted if the employee leaves the Company after the lock-up period. The RSP is subject to the approval of the Board of Directors and the Shareholders' Meeting.

(a) The RSP is a restricted share plan in which the Company grants shares to eligible employees at a price of 25% of the closing price of the Company's shares on the date of grant.

(b) The RSP is a restricted share plan in which the Company grants shares to eligible employees at a price of 25% of the closing price of the Company's shares on the date of grant. The shares granted are subject to a lock-up period of 48 months. The Company will repurchase 75% of the shares granted if the employee leaves the Company within the lock-up period. The Company will also repurchase 10% of the shares granted if the employee leaves the Company after the lock-up period. The RSP is subject to the approval of the Board of Directors and the Shareholders' Meeting.

(c) The RSP is a restricted share plan in which the Company grants shares to eligible employees at a price of 25% of the closing price of the Company's shares on the date of grant. The shares granted are subject to a lock-up period of 48 months. The Company will repurchase 75% of the shares granted if the employee leaves the Company within the lock-up period. The Company will also repurchase 10% of the shares granted if the employee leaves the Company after the lock-up period. The RSP is subject to the approval of the Board of Directors and the Shareholders' Meeting.

The Company has the following share-based payment arrangements: (a) Restricted share plan (RSP): The RSP was established in 2010. The purpose of the RSP is to encourage and retain key management personnel and other employees who are committed to the long-term development of the Company. The RSP is a restricted share plan in which the Company grants shares to eligible employees at a price of 25% of the closing price of the Company's shares on the date of grant. The shares granted are subject to a lock-up period of 48 months. The Company will repurchase 75% of the shares granted if the employee leaves the Company within the lock-up period. The Company will also repurchase 10% of the shares granted if the employee leaves the Company after the lock-up period. The RSP is subject to the approval of the Board of Directors and the Shareholders' Meeting.

The Company has the following share-based payment arrangements: (a) Restricted share plan (RSP): The RSP was established in 2010. The purpose of the RSP is to encourage and retain key management personnel and other employees who are committed to the long-term development of the Company. The RSP is a restricted share plan in which the Company grants shares to eligible employees at a price of 25% of the closing price of the Company's shares on the date of grant. The shares granted are subject to a lock-up period of 48 months. The Company will repurchase 75% of the shares granted if the employee leaves the Company within the lock-up period. The Company will also repurchase 10% of the shares granted if the employee leaves the Company after the lock-up period. The RSP is subject to the approval of the Board of Directors and the Shareholders' Meeting.

The Company has the following share-based payment arrangements: (a) Restricted share plan (RSP): The RSP was established in 2010. The purpose of the RSP is to encourage and retain key management personnel and other employees who are committed to the long-term development of the Company. The RSP is a restricted share plan in which the Company grants shares to eligible employees at a price of 25% of the closing price of the Company's shares on the date of grant. The shares granted are subject to a lock-up period of 48 months. The Company will repurchase 75% of the shares granted if the employee leaves the Company within the lock-up period. The Company will also repurchase 10% of the shares granted if the employee leaves the Company after the lock-up period. The RSP is subject to the approval of the Board of Directors and the Shareholders' Meeting.

Filing Date: 07/11/2017  
 (All amounts in RMB'000)  
 (English Translation Only)

## IX. SHARE-BASED PAYMENTS (CONTINUED)

## 2. Information on equity-settled share-based payment (Continued)

## (2) Information on equity-settled share-based payment of the Company (Continued)

$$M_{\text{eff}} = \frac{M}{1 + \frac{M}{C_m}} \quad \text{and} \quad C_m = \frac{C}{1 + \frac{C}{M}}$$

|                              | 30 June<br>2017<br>'000 | 31 March<br>2016<br>'000 |
|------------------------------|-------------------------|--------------------------|
| Beginning balance            | 25,229                  | 25,986                   |
| Exchange rate fluctuations   | (1,776)                 | (757)                    |
| Comprehensive income         | -                       | -                        |
| Foreign currency translation | -                       | -                        |
| Ending balance               | 23,453                  | 25,229                   |

(3) Basis of the best estimate of the number of equity instruments expected to vest is as follows:

A- h b l a- ng a- ng a- C m n m- a- m- m- n n- a- ng a- l- n- m- n- a- n m- a- m- h- g m- n- a- n m- a- n- n- n- . On- ng a- , a- m- h l a- l a- n m- a- n- h- l m- l a- .

The sign on the map is in the form of a triangle with a circle inside it.

|   |                                                          |                     |
|---|----------------------------------------------------------|---------------------|
| A | 30 J.A. 2017, m l m n agn p b r ,<br>r t sh -b w n       | 414,679             |
| T | r r r agn , r t sh -b w n<br>m l ng:<br>b A C m n<br>b E | -<br>9,583<br>9,583 |



# Notes to the Financial Statements

263

Final Report 2017  
(All figures in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are equally authentic)

## X. CONTINGENCIES (CONTINUED)

### 3. Notes payable issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees

The Group has issued letters of credit but not accounted for. As at 30 June 2017, the Group has issued letters of credit of RMB330,227,000 but not accounted for. As at 30 June 2017, the Group has issued letters of credit of RMB88,443,000, outstanding RMB418,670,000 (31 December 2016: RMB1,143,013,000).

As at 30 June 2017, the Group has issued letters of credit of RMB915,000,000 and USD20,000,000 (equivalent to RMB135,501,000) but not accounted for, outstanding RMB1,050,501,000.

As at 30 June 2017, CIMIC RMB has issued letters of credit of RMB364,183,000, outstanding USD53,753,000 (equivalent to RMB364,183,000), the Group has issued letters of credit of USD32,000,000 (equivalent to RMB216,802,000), USD21,753,000 (equivalent to RMB147,381,000) but not accounted for (31 December 2016: RMB905,730,000).

As at 30 June 2017, CIMC ERM has issued letters of credit of RMB698,752,000, the Group has issued letters of credit of RMB342,096,000, outstanding RMB356,656,000 (31 December 2016: RMB779,018,000).

As at 30 June 2017, TLC, the Group has issued letters of credit of USD115,000 (equivalent to RMB799,000). (31 December 2016: RMB2,844,000).

As at 30 June 2017, QDCRC, the Group has issued letters of credit of RMB32,537,000 (31 December 2016: RMB10,478,000).

As at 30 June 2017, TAS has issued letters of credit of RMB684,748,000, the Group has issued letters of credit of RMB375,133,000, RMB20,540,000, RMB32,669,000 and RMB256,406,000 but not accounted for (31 December 2016: RMB682,818,000).

As at 30 June 2017, CIMC Finance Company, the Group has issued letters of credit of RMB23,493,000, RMB1,593,000, RMB5,600,000 and RMB9,000,000 but not accounted for, outstanding RMB39,916,000 (31 December 2016: RMB28,396,000).

As at 30 June 2017, Zhenhuan Logistics Group, the Group has issued letters of credit of RMB12,970,000 (31 December 2016: RMB42,125,000).

## Notes to the Financial Statements

For the period from January 1 to December 31, 2017

(All figures in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

### X. CONTINGENCIES (CONTINUED)

3. Notes payable issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees (Continued)

# Notes to the Financial Statements

265

For the year ended 31 December 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

017 Jul31/Spain ActualText: EFF0009BDC ( )TjEMC 0 0 0 0.8 k/T10 1 Tf0.026 Tc 0.14 Tw 8.5 76 0 8.5 7

[illegible]

## Notes to the Financial Statements

For the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

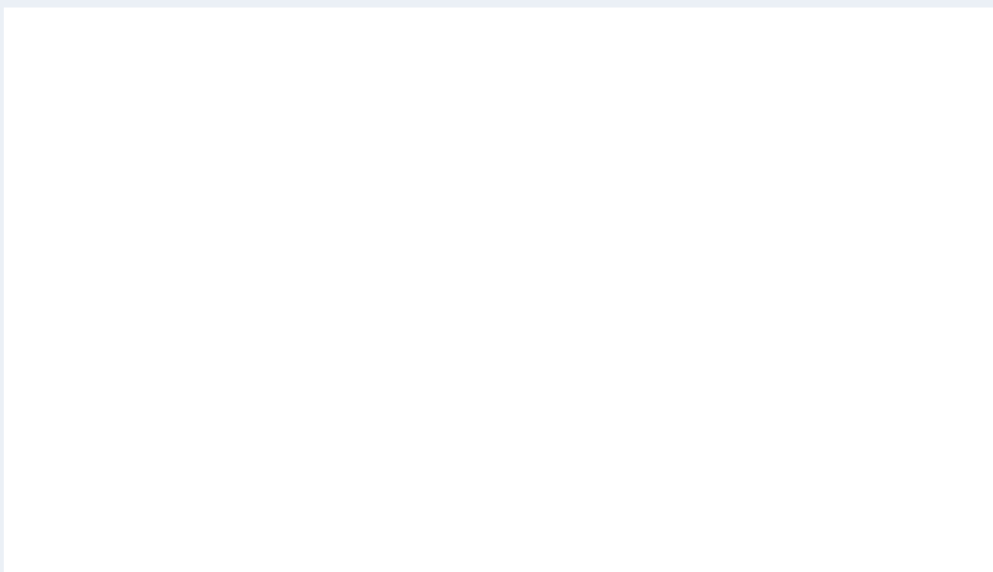
### XIII. SEGMENT REPORTING (CONTINUED)

#### 1. Segment profits, losses, assets and liabilities (Continued)

In the current period, the Group has no segment profit or loss. The Group has no segment assets and liabilities. The Group has no segment liabilities.

Road 9T-4.826 -1.667 Td(tran)0.5(sportatio)0.5(n 9T)3.23 -1.667 Td(vehic)0.5(le79T)0.029 Tw 7.861 5 Td(Ena))0.5(gy an)0.5(d 9T)-0.426 -1.667 Td(chem)0.5(istry & 9T)-0.02 Tw 3.85 -1.667 Td(food)0.5( 9T)-3.188 -1.667 Td(equi)0.5(pment9T)

Contains



# Notes to the Financial Statements

269

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text is for reference only)

## XIII. SEGMENT REPORTING (CONTINUED)

### 1. Segment profits, losses, assets and liabilities (Continued)

In the period, the Group has no segment assets and liabilities. The Group's segment assets and liabilities are the same as the assets and liabilities of the Group as a whole. (Continued)

17

17

## Notes to the Financial Statements

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

### XIII. SEGMENT REPORTING (CONTINUED)

#### 2. Geographic information

The following table shows the geographical distribution of the Group's operating segments. The Group's operating segments are divided into two main categories: (1) Domestic operating segments and (2) Overseas operating segments. The Group's operating segments are further divided into three sub-categories: (1) Domestic operating segments, (2) Overseas operating segments, and (3) Other operating segments. The Group's operating segments are further divided into three sub-categories: (1) Domestic operating segments, (2) Overseas operating segments, and (3) Other operating segments.

## Notes to the Financial Statements

271

Filing Date: 07/11/2017  
 (All amounts in RMB'000)  
 (English Translation Only)

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

## 1. Credit risk

G lng h g n blg n. Th G n n l r n n n ll h b  
- b n n n - , n n l r n n n n gng n . E

Th h b n G m nl h l h ll- n n n n l n n. M n g n n n  
 n gn n n n n n n h n n l n n  
 n n l n n G

In h n , b t s , d h s in n g w n m m G h s b l s h n n  
t b t h s s w s Th s , l f s n h s n l ng s h s s w s n d b n  
l b t n s , s w n s ( , l b ) . s , b s s h n , in 30  
90 s in d s b l l g . N m ll , d G s n b m ll , l f s s w s , b s s  
w n m m s s w s s h s s n .

## Notes to the Financial Statements

For the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text)

### XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

#### 2. Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its obligations as they fall due. The Company monitors its liquidity risk by using a variety of methods, including the use of liquidity ratios, the analysis of cash flows, and the use of stress testing. The Company's liquidity risk is managed by the Finance Department, which is responsible for ensuring that the Company has sufficient cash and liquid assets to meet its obligations as they fall due. The Company's liquidity risk is also managed by the use of financial derivatives, such as interest rate swaps and currency swaps, to hedge against changes in interest rates and exchange rates.

The following table shows the Company's liquidity risk as at December 31, 2017. The table shows the Company's cash and liquid assets, which are sufficient to meet its obligations as they fall due. The Company's liquidity risk is also managed by the use of financial derivatives, such as interest rate swaps and currency swaps, to hedge against changes in interest rates and exchange rates.

| Item                   | Amount (RMB'000) |
|------------------------|------------------|
| Cash and liquid assets | 28,068,602       |
| Financial derivatives  | -                |
| Total                  | 28,068,602       |

# Notes to the Financial Statements

273

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 2. Liquidity risk (Continued)

| 31 December 2016                                                |                            |                    |                     |                   |                     |                     |
|-----------------------------------------------------------------|----------------------------|--------------------|---------------------|-------------------|---------------------|---------------------|
| Unweighted average maturity analysis                            |                            |                    |                     |                   |                     |                     |
|                                                                 | When the liability matures | 1 to 2 years       | 2 to 5 years        | Over 5 years      | Total               | Carrying amount     |
| <b>Financial assets</b>                                         |                            |                    |                     |                   |                     |                     |
| Cash and bank balances                                          | 6,325,998                  | -                  | -                   | -                 | 6,325,998           | 6,325,998           |
| Financial investments held at fair value through profit or loss | 141,160                    | -                  | 325,187             | -                 | 466,347             | 466,347             |
| Receivables from related parties                                | 24,619,828                 | -                  | -                   | -                 | 24,619,828          | 24,619,828          |
| Contract assets                                                 | 5,513,253                  | -                  | -                   | -                 | 5,513,253           | 3,941,689           |
| Available-for-sale financial assets                             | -                          | -                  | 36,803              | 412,240           | 449,043             | 442,726             |
| Interest receivables                                            | 9,250                      | -                  | -                   | -                 | 9,250               | 9,250               |
| Dividend receivables                                            | 41,959                     | -                  | -                   | -                 | 41,959              | 41,959              |
| Long-term receivables                                           | -                          | 3,997,923          | 5,268,322           | 12,907,684        | 22,173,929          | 13,220,242          |
| <b>Subtotal</b>                                                 | <b>36,651,448</b>          | <b>3,997,923</b>   | <b>5,630,312</b>    | <b>13,319,924</b> | <b>59,599,607</b>   | <b>49,068,039</b>   |
| <b>Financial liabilities</b>                                    |                            |                    |                     |                   |                     |                     |
| Financial liabilities held at fair value through profit or loss | 199,225                    | -                  | 3,816               | -                 | 203,041             | 203,041             |
| Short-term borrowings                                           | 15,729,787                 | -                  | -                   | -                 | 15,729,787          | 15,729,787          |
| Notes payable                                                   | 1,551,582                  | -                  | -                   | -                 | 1,551,582           | 1,551,582           |
| Accounts payable                                                | 189,000                    | 189,000            | 8,175,500           | -                 | 8,553,500           | 7,986,500           |
| Contract liabilities                                            | 15,315,024                 | -                  | -                   | -                 | 15,315,024          | 15,315,024          |
| Interest payable                                                | 303,375                    | -                  | -                   | -                 | 303,375             | 303,375             |
| Dividend payable                                                | 16,746                     | -                  | -                   | -                 | 16,746              | 16,746              |
| Contract liabilities                                            | 3,667,872                  | -                  | -                   | -                 | 3,667,872           | 3,667,872           |
| Other non-current liabilities                                   | 1,666,966                  | -                  | -                   | -                 | 1,666,966           | 1,687,762           |
| Long-term borrowings                                            | 1,056,608                  | 10,819,611         | 16,387,132          | 3,464,214         | 31,727,565          | 27,023,222          |
| Long-term payables                                              | -                          | 520,988            | 4,767               | 23,220            | 548,975             | 529,372             |
| Other non-current liabilities                                   | 314,210                    | 314,210            | 314,210             | 1,685,812         | 2,628,442           | 2,037,458           |
| <b>Subtotal</b>                                                 | <b>40,010,395</b>          | <b>11,843,809</b>  | <b>24,885,425</b>   | <b>5,173,246</b>  | <b>81,912,875</b>   | <b>76,051,741</b>   |
| <b>Net total</b>                                                | <b>(3,358,947)</b>         | <b>(7,845,886)</b> | <b>(19,255,113)</b> | <b>8,146,678</b>  | <b>(22,313,268)</b> | <b>(26,983,702)</b> |

Bank borrowings are classified as short-term or long-term based on their maturity dates:

|                            | 30 June 2017      |                  | 31 December 2016  |                  |
|----------------------------|-------------------|------------------|-------------------|------------------|
|                            | Bank borrowings   | Other borrowings | Bank borrowings   | Other borrowings |
| When the liability matures | <b>23,546,054</b> | -                | 19,255,497        | -                |
| 1 to 2 years               | <b>4,773,878</b>  | -                | 9,763,003         | -                |
| 2 to 5 years               | <b>15,472,650</b> | -                | 14,362,508        | -                |
| Over 5 years               | <b>2,709,669</b>  | -                | 2,897,711         | -                |
| <b>Total</b>               | <b>46,502,251</b> | -                | <b>46,278,719</b> | -                |

## Notes to the Financial Statements

For the year ended 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

## 3. Interest rate risk

The Group is exposed to interest rate risk arising from its operations. The Group's interest rate risk arises from its operations and its financing activities. The Group's interest rate risk is managed by the Group's Treasury Department. The Group's interest rate risk is managed by the Group's Treasury Department. The Group's interest rate risk is managed by the Group's Treasury Department.

(1) As at 30 June 2017, the Group held the following interest-bearing financial instruments:

|                             | 30 June 2017      |             | 31 December 2016  |             |
|-----------------------------|-------------------|-------------|-------------------|-------------|
|                             | Interest rate (%) | Amount      | Interest rate (%) | Amount      |
| Financial assets            |                   |             |                   |             |
| Long-term receivables       | 2.58%-17.53%      | 13,499,327  | 2.58%-17.53%      | 13,220,242  |
| Current receivables         | 2.58%-17.53%      | 4,118,028   | 2.58%-17.53%      | 3,941,689   |
| Financial liabilities       |                   |             |                   |             |
| Short-term borrowings       | 1.30%-6.09%       | 8,103,587   | 0.65%-16.41%      | 6,280,953   |
| Long-term borrowings        | 3.07%-3.89%       | 7,986,500   | 3.07%-3.89%       | 7,986,500   |
| Current borrowings          | 2.38%-3.35%       | 995,408     | 2.65%-2.90%       | 800,000     |
| Long-term borrowings        | 1.20%-6.37%       | 1,936,946   | 1.45%-6.37%       | 1,043,007   |
| Other financial liabilities | 0.01%-1.00%       | 2,583,959   | 0.01%-1.00%       | 1,666,966   |
| Other financial liabilities | 4.99%-12.00%      | 2,037,458   | 4.99%-12.00%      | 2,037,458   |
| Total                       |                   | (6,026,503) |                   | (2,652,953) |

|                       | 30 June 2017                    |              | 31 December 2016                |              |
|-----------------------|---------------------------------|--------------|---------------------------------|--------------|
|                       | Interest rate (%)               | Amount       | Interest rate (%)               | Amount       |
| Financial assets      |                                 |              |                                 |              |
| Current receivables   | 0.30%-2.75%                     | 5,737,102    | 0.30%-2.75%                     | 6,325,998    |
| Financial liabilities |                                 |              |                                 |              |
| Current borrowings    | 3M Libor+165bps~3M Libor+240bps | 3,896,006    | 1.15%+1M Libor~3M Libor+240bps  | 2,725,710    |
| Long-term borrowings  | 1.15%+1M Libor~6M Libor+195bps  | 21,728,143   | 1.15%+1M Libor~6M Libor+310bps  | 25,980,215   |
| Short-term borrowings | 1M Libor+150bps~6M Libor+70bps  | 9,842,161    | 1M Libor+180bps~6M Libor+230bps | 9,448,834    |
| Long-term borrowings  | 8.02%~12.86%                    | 504,909      | 8.02%~12.86%                    | 529,372      |
| Current borrowings    | 8.02%~12.86%                    | 124,087      | 8.02%~12.86%                    | 138,312      |
| Total                 |                                 | (30,358,204) |                                 | (32,496,445) |

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 3. Interest rate risk (Continued)

## (2) Sensitivity analysis

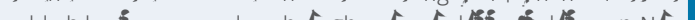
A 30 Jā 2017, 25 b n. (31 Jā 2016: 25 b n.) n n, h ll , b l n, l n G b 56,922,000 n b 56,922,000 (2016: 60,931,000 n 60,931,000 n.).

Th n̄r , n l s b n n r n n h n g n h n n n h I  
n̄ng h h n h n n h n b l n n h n  
h h n n l n n b G n G n n  
b l n n n n h l n ng n n-  
n n n n n n n n n n n n n n n  
n n n n n n n n n n n n n n n

[REDACTED]

#### 4. Foreign exchange risk

1. 在 1997 年 1 月 1 日，人民币兑美元汇率为 8.27 元兑 1 美元。在 2005 年 7 月 21 日，人民币兑美元汇率为 8.27 元兑 1 美元。在 2005 年 7 月 21 日，人民币兑美元汇率为 8.27 元兑 1 美元。

(1)  

30 June 2017

USD

EUR

HKD

JPY

## Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

## 4. Foreign exchange risk (Continued)

(2) The following are the exchange rates for RMB against foreign currencies applied by the Group and the Company:

|     | Average exchange rate                         |                                               | Benchmark average exchange rate |              |
|-----|-----------------------------------------------|-----------------------------------------------|---------------------------------|--------------|
|     | For the Period from 1 January to 30 June 2017 | For the Period from 1 January to 30 June 2016 | 30 June 2017                    | 30 June 2016 |
| USD | 6.8871                                        | 6.5359                                        | 6.7744                          | 6.6312       |
| EUR | 7.4349                                        | 7.2993                                        | 7.7496                          | 7.3750       |
| HKD | 0.8857                                        | 0.8418                                        | 0.8679                          | 0.8547       |
| JPY | 0.0616                                        | 0.0590                                        | 0.0605                          | 0.0645       |

## (3) Sensitivity analysis

Assuming all other variables remain constant, if the exchange rates of RMB against USD, EUR, HKD and JPY increase/decrease by 1.90%, 2.70%, 2.80% and 2.80% respectively, the net profit for the period from 1 January to 30 June 2017 would increase/decrease by RMB 1.90 million, RMB 2.70 million, RMB 2.80 million and RMB 2.80 million respectively. The corresponding figures for the period from 1 January to 30 June 2016 are RMB 1.90 million, RMB 2.70 million, RMB 2.80 million and RMB 2.80 million respectively. The above figures are based on the assumption that the exchange rates of RMB against USD, EUR, HKD and JPY remain constant at the end of the period.

## Notes to the Financial Statements

277

财务报表附注 2017 年 12 月 31 日  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text have equal effect)

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

## 4. Foreign exchange risk (Continued)

## (3) Sensitivity analysis (Continued)

本公司在资产负债表日评估了外币金融资产和外币金融负债的公允价值变动对本集团财务状况和经营成果的影响。在假设其他所有变量不变的情况下，外币金融资产和外币金融负债的公允价值变动对本集团财务状况和经营成果的影响如下：

本公司在资产负债表日评估了外币金融资产和外币金融负债的公允价值变动对本集团财务状况和经营成果的影响。在假设其他所有变量不变的情况下，外币金融资产和外币金融负债的公允价值变动对本集团财务状况和经营成果的影响如下：

## 5. Other price risks

本公司在资产负债表日评估了其他价格风险对本集团财务状况和经营成果的影响。在假设其他所有变量不变的情况下，其他价格风险对本集团财务状况和经营成果的影响如下：

本公司在资产负债表日评估了其他价格风险对本集团财务状况和经营成果的影响。在假设其他所有变量不变的情况下，其他价格风险对本集团财务状况和经营成果的影响如下：

本公司在资产负债表日评估了其他价格风险对本集团财务状况和经营成果的影响。在假设其他所有变量不变的情况下，其他价格风险对本集团财务状况和经营成果的影响如下：

# Notes to the Financial Statements

For the year ended 31 December 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text)

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 6. Fair value estimates

The Group has adopted the following methods to estimate the fair value of its financial assets and liabilities:

Method 1: Quoted prices in active markets for identical assets or liabilities.

Method 2: Inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., prices for similar assets or liabilities) or indirectly (i.e., prices for assets or liabilities whose prices are derived from, or are related to, the prices of observable assets or liabilities).

Method 3: Inputs that are not based on observable market data.

#### (1) Assets measured at fair value on a recurring basis

The following table shows the Group's financial assets and liabilities measured at fair value on a recurring basis as at 31 December 2017:

| Assets                                                                     | NA    | Level 1 | Level 2 | Level 3   | Total     |
|----------------------------------------------------------------------------|-------|---------|---------|-----------|-----------|
| Financial assets                                                           |       |         |         |           |           |
| Financial assets measured at fair value through profit or loss             |       |         |         |           |           |
| Derivative financial assets                                                | IV.2  | 180,357 | -       | -         | 180,357   |
| Financial assets measured at fair value through other comprehensive income | IV.2  | -       | 251,402 | -         | 251,402   |
| Financial assets measured at fair value through profit or loss             | IV.2  | -       | 4,392   | -         | 4,392     |
| Financial assets measured at fair value through profit or loss             | IV.11 | 1,761   | 51,086  | -         | 52,847    |
| Financial assets measured at fair value through profit or loss             |       | 182,118 | 306,880 | -         | 488,998   |
| Non-financial assets                                                       |       |         |         |           |           |
| Financial assets measured at fair value through profit or loss             | IV.14 | -       | -       | 1,722,065 | 1,722,065 |
| Total                                                                      |       | 182,118 | 306,880 | 1,722,065 | 2,211,063 |
| Liabilities                                                                | NA    | Level 1 | Level 2 | Level 3   | Total     |
| Financial liabilities at fair value through profit or loss                 |       |         |         |           |           |
| Derivative financial liabilities                                           | IV.26 | -       | (6,359) | -         | (6,359)   |
| Hedging instrument                                                         | IV.26 | -       | (186)   | -         | (186)     |
| Financial guarantee contracts                                              | IV.26 | -       | -       | (55,980)  | (55,980)  |
| Contingent considerations                                                  | IV.26 | -       | -       | (129,965) | (129,965) |
| Total                                                                      |       | -       | (6,545) | (185,945) | (192,490) |

# Notes to the Financial Statements

279

For the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are equally authentic)

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 6. Fair value estimates (Continued)

#### (1) Assets measured at fair value on a recurring basis (Continued)

The following table shows the fair value of assets measured at fair value on a recurring basis as at December 31, 2016:

| Assets                                                            | Unit  | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2014 | Total     |
|-------------------------------------------------------------------|-------|--------------|--------------|--------------|-----------|
| Financial assets                                                  |       |              |              |              |           |
| Financial assets at fair value through profit or loss             |       |              |              |              |           |
| Investment in equity instruments                                  | IV.2  | 138,072      | -            | -            | 138,072   |
| Derivative financial instruments                                  | IV.2  | -            | 326,969      | -            | 326,969   |
| Financial assets at fair value through other comprehensive income | IV.2  | -            | 1,306        | -            | 1,306     |
| Available-for-sale financial assets                               | IV.11 | 2,441        | 30,803       | -            | 33,244    |
| Financial assets at fair value                                    |       | 140,513      | 359,078      | -            | 499,591   |
| Non-financial assets                                              |       |              |              |              |           |
| Investment in real estate                                         | IV.14 | -            | -            | 1,752,608    | 1,752,608 |
| Total                                                             |       | 140,513      | 359,078      | 1,752,608    | 2,252,199 |

| Liabilities                                                            | Unit  | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2014 | Total     |
|------------------------------------------------------------------------|-------|--------------|--------------|--------------|-----------|
| Financial liabilities at fair value through profit or loss             |       |              |              |              |           |
| Derivative financial liabilities                                       | IV.26 | -            | (15,838)     | -            | (15,838)  |
| Financial liabilities at fair value through other comprehensive income | IV.26 | -            | (4,244)      | -            | (4,244)   |
| Financial liabilities at fair value                                    | IV.26 | -            | -            | (57,419)     | (57,419)  |
| Contingent liabilities                                                 | IV.26 | -            | -            | (125,540)    | (125,540) |
| Total                                                                  |       | -            | (20,082)     | (182,959)    | (203,041) |

The Group has adopted the fair value hierarchy as follows: Level 1, quoted prices in active markets for identical assets or liabilities; Level 2, quoted prices for similar assets or liabilities in active markets, or quoted prices for identical assets or liabilities in inactive markets; Level 3, unobservable inputs for the asset or liability.

The Group has adopted the fair value hierarchy as follows: Level 1, quoted prices in active markets for identical assets or liabilities; Level 2, quoted prices for similar assets or liabilities in active markets, or quoted prices for identical assets or liabilities in inactive markets; Level 3, unobservable inputs for the asset or liability. The Group has adopted the fair value hierarchy as follows: Level 1, quoted prices in active markets for identical assets or liabilities; Level 2, quoted prices for similar assets or liabilities in active markets, or quoted prices for identical assets or liabilities in inactive markets; Level 3, unobservable inputs for the asset or liability.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text)

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

## 6. Fair value estimates (Continued)

## (1) Assets measured at fair value on a recurring basis (Continued)

The Group has adopted the fair value hierarchy, which classifies the assets and liabilities measured at fair value into three levels based on the observability of the inputs to the valuation techniques. The hierarchy is as follows:

The following table shows the assets and liabilities measured at fair value on a recurring basis:

|                                                                   | Investment properties |
|-------------------------------------------------------------------|-----------------------|
| 1 January 2017                                                    | 1,752,608             |
| Purchases                                                         | -                     |
| Transfers from non-current assets held for sale to current assets | 1,287                 |
| Transfers from current assets to non-current assets held for sale | -                     |
| Transfers between current assets                                  | -                     |
| Disposals                                                         | -                     |
| Gain/(Loss) on disposal of investment properties                  | -                     |
| Transfers from current assets to non-current assets held for sale | (35,389)              |
| Exchange rate differences                                         | 3,559                 |
| 30 June 2017                                                      | 1,722,065             |
| 1 January 2016                                                    | 730,168               |
| Purchases                                                         | 78,176                |
| Transfers from non-current assets held for sale to current assets | 310,039               |
| Transfers from current assets to non-current assets held for sale | (26,401)              |
| Transfers between current assets                                  | 660,626               |
| Disposals                                                         | 75,792                |
| Gain/(Loss) on disposal of investment properties                  | 584,834               |
| 31 December 2016                                                  | 1,752,608             |

For the purpose of this table, the Group has classified the assets and liabilities measured at fair value into three levels based on the observability of the inputs to the valuation techniques. The hierarchy is as follows:

# Notes to the Financial Statements

281

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authoritative)

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 6. Fair value estimates (Continued)

#### (1) Assets measured at fair value on a recurring basis (Continued)

The following table summarizes the fair value measurements of the assets measured at fair value on a recurring basis:

|                                  | Fair value as at<br>30 June 2017 | Valuation technique | Nature                                          | Significant inputs, where applicable |                     |                           |
|----------------------------------|----------------------------------|---------------------|-------------------------------------------------|--------------------------------------|---------------------|---------------------------|
|                                  |                                  |                     |                                                 | Observable inputs                    | Unobservable inputs | Observable inputs         |
| Investment in equity instruments | 1,126,654                        | Market approach     | Residual interest in subsidiaries               | 6%-8%                                |                     |                           |
| Derivative financial instruments |                                  | Market approach     | Monetary instrument (RMB-denominated)           | 7-95                                 | ( )                 | Unobservable              |
|                                  |                                  | Market approach     | Bank deposit                                    |                                      |                     |                           |
|                                  |                                  |                     | (RMB-denominated)                               | 650-4,600                            |                     |                           |
|                                  |                                  |                     | Asset-liability ratio                           | 9%-12%                               | ( )                 | Unobservable              |
| Long-term debt                   | 595,411                          | Discounting         | Monetary instrument (RMB-denominated, 100% T+1) | 1.0019340008720.7826                 | 1.001973.7010       | ISO 1.00116740008720.7826 |

Tān ē nō m ā b h ē     b t n , b ē m ā b ā     ā nē n ā ē m ā ,  
 n h ā l ŋ ā ē t . F , b ā l ŋ m b ā ng ē l ŋ m     b ē n ā n ē b ē  
 h n ē m ā b ā     ā     ē h ā     ā n ē n ē ā h  
 ā ē h ā     b t n ā ē ā ē h ā     ā ē ā n ē , n h ā l ŋ ā h  
 ā .

# Notes to the Financial Statements

283

Financial statements for the year ended 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 6. Fair value estimates (Continued)

#### (4) Estimation and assumption of fair values

The Group's management has assessed the fair value of the Group's financial assets and liabilities, and has concluded that the carrying amounts of the Group's financial assets and liabilities are a reasonable approximation of their fair values.

(i) Financial assets

The Group's management has assessed the fair value of the Group's financial assets and liabilities, and has concluded that the carrying amounts of the Group's financial assets and liabilities are a reasonable approximation of their fair values.

(ii) Financial liabilities

The Group's management has assessed the fair value of the Group's financial assets and liabilities, and has concluded that the carrying amounts of the Group's financial assets and liabilities are a reasonable approximation of their fair values.

(iii) Financial assets and liabilities measured at fair value

(a)

The Group's management has assessed the fair value of the Group's financial assets and liabilities, and has concluded that the carrying amounts of the Group's financial assets and liabilities are a reasonable approximation of their fair values.

(b)

The Group's management has assessed the fair value of the Group's financial assets and liabilities, and has concluded that the carrying amounts of the Group's financial assets and liabilities are a reasonable approximation of their fair values.

## Notes to the Financial Statements

For the year ended 31st December 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text prevails over Chinese text)

### XV. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure that the Group has sufficient funds to meet its operating needs and to maintain a strong financial position. The Group's capital management strategy is to maintain a balance between equity and debt capital, and to ensure that the Group has sufficient funds to meet its operating needs and to maintain a strong financial position.

In 2017, the Group's capital management strategy was to maintain a balance between equity and debt capital, and to ensure that the Group has sufficient funds to meet its operating needs and to maintain a strong financial position.

The Group's capital management strategy is to maintain a balance between equity and debt capital, and to ensure that the Group has sufficient funds to meet its operating needs and to maintain a strong financial position.

The Group's capital management strategy is to maintain a balance between equity and debt capital, and to ensure that the Group has sufficient funds to meet its operating needs and to maintain a strong financial position.

In 2017, the Group's capital management strategy was to maintain a balance between equity and debt capital, and to ensure that the Group has sufficient funds to meet its operating needs and to maintain a strong financial position.

## Notes to the Financial Statements

285

For the period from January 1 to June 30, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text and Chinese Text are Original)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

## 2. Dividends receivable

|                | 30 June<br>2017  | 31 June<br>2016 |
|----------------|------------------|-----------------|
| CIMC Hong Kong | 3,333,084        | 3,435,198       |
| SCIMC          | 592,706          | 592,706         |
| SCIMCEL        | 462,372          | 462,372         |
| SCRC           | 216,000          | -               |
| TJCMCLE        | 48,915           | 48,915          |
| SCIMCEL        | 19,263           | 19,263          |
| Ming L         | 29,146           | 29,146          |
| CIMC W         | -                | 874             |
| CIMCVL         | -                | 149,577         |
| QDSV           | 2,468            | 17,356          |
| Tianjin King L | 411              | 411             |
|                | <b>4,704,365</b> | 4,755,818       |

## 3. Other receivables

(1) Other receivables are analysed by categories of customers as follows:

|                                 | 30 June<br>2017   | 31 June<br>2016 |
|---------------------------------|-------------------|-----------------|
| Amount due from related parties | 12,940,182        | 13,109,464      |
| Due from non-related parties    | 14,739            | 15,711          |
| Others                          | 18,233            | 10,821          |
| Subtotal                        | 12,973,154        | 13,135,996      |
| Less: Impairment loss           | (4,580)           | (4,580)         |
| Total                           | <b>12,968,574</b> | 13,131,416      |

## Notes to the Financial Statements

For the year ended 31 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

## 3. Other receivables (Continued)

(2) Other receivables are analysed by ageing as follows:

| Ageing                     | 30 June<br>2017 | 31 December<br>2016 |
|----------------------------|-----------------|---------------------|
| Within 1 year (inclusive)  | 9,525,395       | 9,642,304           |
| 1 to 2 years (inclusive)   | 1,528,555       | 1,530,022           |
| 2 to 3 years (inclusive)   | 587,541         | 574,631             |
| Over 3 years               | 1,331,663       | 1,389,039           |
| Subtotal                   | 12,973,154      | 13,135,996          |
| Less: Expected credit loss | (4,580)         | (4,580)             |
| Total                      | 12,968,574      | 13,131,416          |

The ageing is not longer significant, in that the amounts are not significant.

As at 30 June 2017 and 31 December 2016, the Company has not had any other receivables, but has not had any other receivables.

(3) Other receivables are analysed by categories as follows:

| Note                                                                                         | 30 June 2017   |         |                              |         | 31 December 2016 |         |                              |         |
|----------------------------------------------------------------------------------------------|----------------|---------|------------------------------|---------|------------------|---------|------------------------------|---------|
|                                                                                              | Ending balance |         | Provision for doubtful debts |         | Ending balance   |         | Provision for doubtful debts |         |
|                                                                                              | % of total     |         | % of total                   |         | % of total       |         | % of total                   |         |
|                                                                                              | Amount         | balance | Amount                       | balance | Amount           | balance | Amount                       | balance |
| Other receivables, but excluding amounts due from related parties, and other receivables (4) | 12,873,563     | 99.23%  | -                            | -       | 13,066,919       | 99.47%  | -                            | -       |
| Other receivables, but excluding amounts due from related parties, and other receivables (5) | 99,591         | 0.77%   | 4,580                        | 4.60%   | 69,077           | 0.53%   | 4,580                        | 6.63%   |
| Total                                                                                        | 12,973,154     | 100.00% | 4,580                        | 0.04%   | 13,135,996       | 100.00% | 4,580                        | 0.03%   |

The amounts are not significant, in that the Company has not had any other receivables, but has not had any other receivables.

# Notes to the Financial Statements

287

Financial statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English Text is for reference only)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 3. Other receivables (Continued)

- (4) Other receivables with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis

As at 30 June 2017, the 31 June 2016, the Company has not identified any other receivables that are individually significant and that the related provision for doubtful debts is provided on the individual basis.

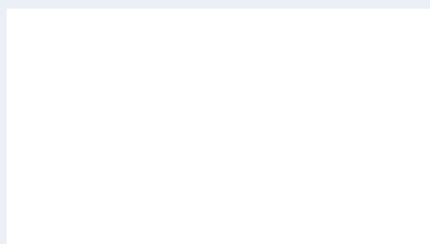
- (5) Other receivables with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis

As at 30 June 2017, the 31 June 2016, the Company has not identified any other receivables that are not individually significant but that the related provision for doubtful debts is provided on the individual basis.

- (6) Other receivables that the related provision for bad debts is provided on grouping basis using the ageing analysis method are analysed as follows:

30 June 2017

31 June 2016



## Notes to the Financial Statements

Financial statements for the period from January 1 to June 30, 2017

(All amounts in RMB'000 unless otherwise specified)

(English text prevails over Chinese text in case of discrepancy)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

## 3. Other receivables (Continued)

(9) As at 30 June 2017, the five largest other receivables are analysed as follows:

|                   | Nature                   | Amount    | Aging                                                | % of total balance | Provision for doubtful debts |
|-------------------|--------------------------|-----------|------------------------------------------------------|--------------------|------------------------------|
| CIMC Hong Kong    | Intercompany receivables | 3,612,395 | Within 1 year                                        | 27.85%             | -                            |
| C&C T&E           | Intercompany receivables | 1,421,641 | Within 1 year, 1 year to 2 years, 2 years to 3 years | 10.96%             | -                            |
| Hong Kong         | Intercompany receivables | 1,098,758 | Within 1 year                                        | 8.47%              | -                            |
| CIMCVL            | Intercompany receivables | 849,639   | Within 1 year                                        | 6.55%              | -                            |
| Tianjin Hong Kong | Intercompany receivables | 591,447   | Within 1 year                                        | 4.56%              | -                            |
|                   |                          | 7,573,880 |                                                      | 58.39%             | -                            |

The Company's other receivables as at 31 December 2016 amounted to RMB7,609,722,000, of which 57.93% are intercompany receivables.

(10) Other receivables from shareholders holding more than 5% (including 5%) of the voting rights of the Company are analysed as follows:

As at 30 June 2017, the Company's other receivables from shareholders holding more than 5% (including 5%) of the voting rights of the Company are analysed as follows:

# Notes to the Financial Statements

289

Financial statements for the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text is for reference only)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 3. Other receivables (Continued)

#### (11) Other receivables from related parties

| Relationship with<br>the Company | Amount | % of total<br>balance |
|----------------------------------|--------|-----------------------|
|----------------------------------|--------|-----------------------|

## Notes to the Financial Statements

Financial statements from 1 January to 30 June 2017  
 (All amounts in RMB'000 unless otherwise specified)  
 (English Text and Chinese Text are Original)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

## 4. Available-for-sale financial assets (Continued)

(1) Related information analysis of available-for-sale financial assets is as follows:

A. List of available-for-sale financial assets:

|                                                | 31<br>December<br>2016 | Beginning<br>Balance | Ending<br>Balance | 30 June<br>2017 | Share<br>holding<br>(%) | Change |
|------------------------------------------------|------------------------|----------------------|-------------------|-----------------|-------------------------|--------|
| A. List of available-for-sale financial assets |                        |                      |                   |                 |                         |        |
| BOCM's share in<br>Minghe                      | 8,125                  |                      |                   | 8,125           | 5.00%                   |        |

# Notes to the Financial Statements

291

For the period from January 1 to June 30, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text prevails over Chinese text in case of discrepancy)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 5. Long-term equity investments (Continued)

#### (2) Subsidiaries:

| Item                                     | 31 December 2016 | Change   | 30 June 2017 | Shareholding (%) | Voting rights (%) | Percentage of ownership | Percentage of control | Change  |
|------------------------------------------|------------------|----------|--------------|------------------|-------------------|-------------------------|-----------------------|---------|
| Cost method – Investment in subsidiaries |                  |          |              |                  |                   |                         |                       |         |
| SCIMC                                    | 110,831          | -        | 110,831      | 100%             | 100%              | -                       | -                     | -       |
| XHCIMC                                   | 36,500           | -        | 36,500       | 100%             | 100%              | -                       | -                     | -       |
| TJCIMC                                   | 77,704           | -        | 77,704       | 100%             | 100%              | -                       | -                     | -       |
| DLCIMC                                   | 48,764           | -        | 48,764       | 100%             | 100%              | -                       | -                     | -       |
| TCCIMC                                   | 131,654          | (40,230) | 91,424       | 100%             | 100%              | -                       | -                     | 33,642  |
| CQVL                                     | 39,499           | -        | 39,499       | 100%             | 100%              | -                       | -                     | -       |
| SCRC                                     | 200,892          | -        | 200,892      | 92%              | 92%               | -                       | -                     | 216,000 |
| XHCIMCS                                  | 82,026           | -        | 82,026       | 100%             | 100%              | -                       | -                     | -       |
| CIMC Hong Kong                           | 1,690            | -        | 1,690        | 100%             | 100%              | -                       | -                     | -       |
| CIMC SD                                  | 162,686          | -        | 162,686      | 100%             | 100%              | -                       | -                     | -       |
| HI                                       | 606,912          | -        | 606,912      | 80%              | 80%               | -                       | -                     | 98,789  |
| CIMC PRC                                 | 41,526           | -        | 41,526       | 100%             | 100%              | -                       | -                     | -       |
| CIMCWD                                   | 54,817           | -        | 54,817       | 100%             | 100%              | -                       | -                     | -       |
| CIMC Training                            | 48,102           | -        | 48,102       | 100%             | 100%              | -                       | -                     | -       |
| DLZH                                     | 182,136          | -        | 182,136      | 100%             | 100%              | -                       | -                     | -       |
| MEA                                      | 111,703          | -        | 111,703      | 100%             | 100%              | -                       | -                     | -       |
| CIMC WFOE                                | 3,472            | -        | 3,472        | 100%             | 100%              | -                       | -                     | -       |

## Notes to the Financial Statements

For the period from January 1 to June 30, 2017  
 (All amounts in RMB'000 unless otherwise specified)  
 (English text prevails over Chinese text in case of discrepancy)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

## 5. Long-term equity investments (Continued)

## (2) Subsidiaries: (Continued)

|                                                     | 31 December 2016 | Company shareholding | 30 June 2017 | Shareholding (%) | Voting rights (%) | Percentage of shareholding | Percentage of shareholding | Carrying amount |
|-----------------------------------------------------|------------------|----------------------|--------------|------------------|-------------------|----------------------------|----------------------------|-----------------|
| SZ International Container Terminal Limited         |                  |                      |              |                  |                   |                            |                            |                 |
| Holding                                             | 72,401           | -                    | 72,401       | 100%             | 100%              | -                          | -                          | -               |
| Frontier Container Terminal                         | 482,590          | -                    | 482,590      | 100%             | 100%              | -                          | -                          | -               |
| CIMCVL                                              | 422,363          | -                    | 422,363      | 100%             | 100%              | -                          | -                          | -               |
| QDSV                                                | 26,912           | -                    | 26,912       | 80%              | 80%               | -                          | -                          | -               |
| SHOE                                                | 40,000           | -                    | 40,000       | 100%             | 100%              | -                          | -                          | -               |
| SZ International Container Terminal                 | 140,000          | -                    | 140,000      | 100%             | 100%              | -                          | -                          | -               |
| SESKYC                                              | 90,000           | -                    | 90,000       | 100%             | 100%              | -                          | -                          | -               |
| DLCIMCS                                             | 69,806           | -                    | 69,806       | 100%             | 100%              | -                          | -                          | -               |
| China International Container Terminal Holding      | 4,104,227        | -                    | 4,104,227    | 100%             | 100%              | -                          | -                          | -               |
| COOP                                                | 205,022          | -                    | 205,022      | 99%              | 99%               | -                          | -                          | -               |
| CIMC Maritime Logistics Development Company Limited |                  |                      |              |                  |                   |                            |                            |                 |
| China International Container Terminal              | 803,904          | -                    | 803,904      | 100%             | 100%              | -                          | -                          | -               |
| C&C Terminal                                        | 898,977          | 81,616               | 980,593      | 70%              | 70%               | -                          | -                          | -               |
| Ocean Shipping Holding                              | 35,000           | -                    | 35,000       | 100%             | 100%              | -                          | -                          | -               |
| Qingdao International Container Terminal            | 13,160           | -                    | 13,160       | 100%             | 100%              | -                          | -                          | -               |
| Guangdong International Container Terminal          |                  |                      |              |                  |                   |                            |                            |                 |
| Guangdong International Container Terminal          | 30,000           | -                    | 30,000       | 100%             | 100%              | -                          | -                          | -               |
| Terminal Services                                   |                  |                      |              |                  |                   |                            |                            |                 |
| Europe                                              | -                | 73,873               | 73,873       | 100%             | 100%              | -                          | -                          | -               |
| Subtotal                                            | 9,375,276        | 115,259              | 9,490,535    |                  |                   | -                          | -                          | 348,431         |

# Notes to the Financial Statements 293

Financial statements for the period from January 1 to December 31, 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authoritative)

## XVI.NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6.

## Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017  
 (All amounts in RMB'000 unless otherwise specified)  
 (English Text and Chinese Text are Original)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

## 9. Interest payable

|                                                  | 30 June<br>2017 | 31 December<br>2016 |
|--------------------------------------------------|-----------------|---------------------|
| Interest payable to banks                        | 218,242         | 70,249              |
| Interest payable to other financial institutions | 5,957           | 3,522               |
| Interest payable to other parties                | 1,365           | 1,984               |
| Total                                            | 225,564         | 75,755              |

## 10. Other payable

(1) The analysis of the Company's other payables is as follows:

|                                     | 30 June<br>2017 | 31 December<br>2016 |
|-------------------------------------|-----------------|---------------------|
| Accounts payable                    | 2,162,672       | 2,948,279           |
| Accounts payable to related parties | 10,459          | 16,735              |
| Accounts payable to other parties   | 429             | 429                 |
| Accounts payable to other parties   | -               | 7,592               |
| Accounts payable to other parties   | 11,962          | 17,769              |
| Total                               | 2,185,522       | 2,990,804           |

(2) Significant other payables aged over one year

# Notes to the Financial Statements

295

Financial Statements for the period ending 30 June 2017  
(All amounts in RMB'000 unless otherwise specified)  
(English text and Chinese text are equally authentic)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 11. Current portion of non-current liabilities

- (1) The analysis of the Company's current portion of non-current liabilities by categories is as follows:

|                                         | Nil | 30 June<br>2017 | 31 Dec<br>2016 |
|-----------------------------------------|-----|-----------------|----------------|
| Current portion of long-term borrowings |     |                 |                |
| Unsecured                               | (2) | 995,000         | 800,000        |

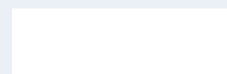
- (2) As at 30 June 2017, there were no overdue long-term borrowings of which the durations are extended (31 December 2016: Nil).

### 12. Long-term borrowings

- (1) The analysis of the Company's long-term loans is as follows:

30 June  
2017

31 Dec  
2016



## Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

## 14. Deferred tax assets and deferred tax liabilities

- (1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

|                                                     | 30 June 2017                                         |                                          | 31 December 2016                         |                                          |
|-----------------------------------------------------|------------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
|                                                     | Deductible/<br>(taxable)<br>Temporary<br>differences | Deferred<br>tax assets/<br>(liabilities) | Debit /<br>(credit)<br>amount<br>in RMB' | Debit /<br>(credit)<br>amount<br>in RMB' |
| Deferred tax assets:                                |                                                      |                                          |                                          |                                          |
| Entire amount of deferred tax assets                | 196,808                                              | 49,202                                   | 205,760                                  | 51,440                                   |
| Minus: amount of deferred tax assets not deductible | 1,738                                                | 434                                      | 3,360                                    | 840                                      |
| Sub-total                                           | 198,546                                              | 49,636                                   | 209,120                                  | 52,280                                   |
| Offsetting amount                                   | -                                                    | -                                        | -                                        | -                                        |
| Offsetting balances                                 | 198,546                                              | 49,636                                   | 209,120                                  | 52,280                                   |
| Amount of deferred tax assets not deductible        |                                                      | 49,636                                   |                                          | 52,280                                   |

# Notes to the Financial Statements

297

For the period from January 1 to June 30, 2017  
(All figures in RMB'000 unless otherwise specified)  
(English Text is the Original Text)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 15. Capital surplus

|                                                       | 31 December<br>2016 | January 1<br>2016 | June 30<br>2017 | 30 June<br>2017  |
|-------------------------------------------------------|---------------------|-------------------|-----------------|------------------|
| Share premium                                         | 3,601,855           | 29,311            | -               | <b>3,631,166</b> |
| Other comprehensive income:                           |                     |                   |                 |                  |
| • Exchange difference in foreign currency translation | 687                 | -                 | -               | <b>687</b>       |
| • Deferred income tax                                 | 87                  | -                 | -               | <b>87</b>        |
| • Expected credit loss                                | 253,012             | -                 | (12,104)        | <b>240,908</b>   |
| Other comprehensive income                            | (568,492)           | -                 | -               | <b>(568,492)</b> |
| Total                                                 | 3,287,149           | 29,311            | (12,104)        | <b>3,304,356</b> |

|                                                       | January 1<br>2016 | January 1<br>2016 | December 31<br>2016 | December 31<br>2016 |
|-------------------------------------------------------|-------------------|-------------------|---------------------|---------------------|
| Share premium                                         | 3,589,082         | 12,773            | -                   | 3,601,855           |
| Other comprehensive income:                           |                   |                   |                     |                     |
| • Exchange difference in foreign currency translation | 687               | -                 | -                   | 687                 |
| • Deferred income tax                                 | 87                | -                 | -                   | 87                  |
| • Expected credit loss                                | 258,211           | -                 | (5,199)             | 253,012             |
| Other comprehensive income                            | (568,492)         | -                 | -                   | (568,492)           |
| Total                                                 | 3,279,575         | 12,773            | (5,199)             | 3,287,149           |

## Notes to the Financial Statements

For the period from January 1 to December 31, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

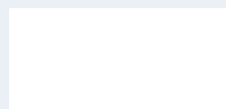
### XVI.

# Notes to the Financial Statements 299

Financial statements for the period 1 Jan to 30 Jun 2017  
(All amounts in RMB'000 unless otherwise stated)  
(English Text and Chinese Text are on the same page)

## XVI.NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 18. Profit/(loss) from changes in fair value



## Notes to the Financial Statements

For the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Text and Chinese Text are Original)

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

## 22. Non-operating expenses

|                              | For the period<br>from 1 January<br>to 30 June 2017 | For the period<br>from 1 January<br>to 30 June 2016 |
|------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Abnormal loss                | 396                                                 | 1                                                   |
| Losses on disposal of assets | 586                                                 | 1                                                   |
| Others                       | 764                                                 | 248                                                 |
| Total                        | 1,746                                               | 249                                                 |

## 23. Income tax expenses

|                    | For the period<br>from 1 January<br>to 30 June 2017 | For the period<br>from 1 January<br>to 30 June 2016 |
|--------------------|-----------------------------------------------------|-----------------------------------------------------|
| Current income tax | 2,644                                               | 27,968                                              |

The income tax expense for the period is calculated based on the taxable income of the Company and its subsidiaries.

|                    | For the period<br>from 1 January<br>to 30 June 2017 | For the period<br>from 1 January<br>to 30 June 2016 |
|--------------------|-----------------------------------------------------|-----------------------------------------------------|
| Total income tax   | 31,304                                              | 153,333                                             |
| Income tax expense | 7,826                                               | 38,333                                              |
| Income tax credit  | 803                                                 | 1,878                                               |
| Income tax expense | 82,123                                              | 17,498                                              |
| Income tax credit  | (88,108)                                            | (29,741)                                            |
| Income tax expense | 2,644                                               | 27,968                                              |



[illegible]

For more information  
(All in RMB'000)  
(English Ref: Onl)

## II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In the Pinyin Shaping N. 9, E nng sh n n n (2010) n . n  
Cm n l

[illegible]

## 304 Chapter X Documents Available for Inspection

- I. The sign of the firm is in the name of the firm, 2017, and the firm is not a sign of the firm.
- II. The sign of the firm is in the name of the firm, 2017, and the firm is not a sign of the firm. 30 Jan 2017  
 The CASBE is a sign of the firm, and the firm is not a sign of the firm.

China International Marine Containers (Group) Co., Ltd.  
CIMC R&D Center, No.2 Gangwan Avenue ,  
Nanshan Distri